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PERFORMANCE EVALUATION

REGIONAL AFGHAN MUNICIPALITIES PROGRAM FOR URBAN POPULATIONS (RAMP UP-South, East, North and West)

August 2013

This report was produced for review by the United States Agency for International Development (USAID). It was prepared under contract with Checchi and Company Consulting, Inc. for USAID's Afghanistan "Services under Program and Project Offices for Results Tracking Phase II" (SUPPORT II) project."

Activity Signature Page

This report was contracted under USAID Contract Number: AID-306-C-12-00012. Afghanistan Services under Program and Project Offices for Results Tracking Phase II (SUPPORT II).

This Activity was initiated by Office of Project and Program Development through Mr. Sayed Aqa, COR/SUPPORT II.

Assignment Title: Regional Afghan Municipalities Program for Urban Population
(Ramp UP-South, East, North and West)

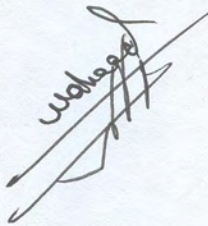
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Activity Start Date: February 19, 2013

Completion Date: August 8, 2013

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Disclaimer:

The views expressed in this report are those of the author and do not necessarily reflect the views of USAID, the Government of Afghanistan, or any other organization or person associated with this project.

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ACRONYMS/ABBREVIATIONS

ADS	Automated Directives System
AFMIS	Afghanistan Financial Management Information System
AO	Assistance Objective
ASGP	Afghanistan Subnational Governance Program
ASP	Afghanistan Stabilization Program
AUTO-CAD	Computer based design program
BPS	Business Process Simplification
CAB	Citizens Advisory Board
CAD	Computer Aided Design
CDC	Community Development Council
CLIN	Contract Line Item Number
CO	Contracting Officer
COA	Ministry of Finance- Municipal Chart of Accounts
COP	Chief of Party
COR	Contract Officer's Representative
CORE	Basic administration training provided to municipality staff
CPS	Citizen Perception Survey
DAI	Development Alternatives, Inc. IP for RAMP UP East, North & West
DDP	District Delivery Program
DEC	Development Experience Clearinghouse
DoWA	Department of Women's Affairs
EA	Embedded Advisor
FAF	Foreign Assistance Framework
FPO	Field Program Officer (USAID officer within the PRT)
GDMA	General Directorate of Municipal Affairs
GIRoA	Government of the Islamic Republic of Afghanistan
GIS	Geographic Information System
<i>Gozar</i>	Neighborhood
GPS	Geostationary Positioning System
HR	Human Resources
IARCSC	Independent Administrative Reform and Civil Service Commission
ICMA	International City/County Management Association
IDLG	Independent Directorate of Local Governance
IEC	Independent Electoral Commission
IFMIS	Integrated Financial Management Information System
IP	Implementing Partner- USAID contractor
IR	Intermediate Result
ISAF	International Security Assistance Force
LOP	Life of Project (cost)
MAB	Municipal Advisory Board
M&E	Monitoring & Evaluation

MIAP	Management Improvement Action Plan
MIP	Management Improvement Plan
<i>Mirab</i>	Traditionally-selected manager of irrigation network
MIS	Management Information System
MMCGP	Municipal Management & Capacity Building Plan
MOF	Ministry of Finance
MOJ	Ministry of Justice
MOU	Memorandum of Understanding
MTL	Municipal Team Leader
N/A	Not Asked, Not Available, Not Applicable
NAPWA	National Action Plan for Women
NGO	Non-Governmental Organization
NRC	National Research Center, Inc.
OAA	Office of Administrative Affairs
P&G	Pay and Grading – staffing and salary reforms
PBB	Performance Based Budgeting
PGO	Provincial Governor’s Office
PIRS	Performance Indicator Reference Sheet
PMP	Performance Management Plan
PRT	Provincial Reconstruction Team
RAMP UP	Regional Afghan Municipalities Program for Urban Populations
RC	Regional Command (ISAF Regional Command)
RIAP	Revenue Improvement Action Plan
<i>Safayi</i>	A complex type of property tax
SDIP	Service Delivery Improvement Plan
SOW	Statement of Work, Scope of Work
SPAD	Strengthening Provincial Administration and Delivery (DFID)
SQL	Data base software manufactured by Microsoft
SWM	Solid waste management
TA	Technical Assistance
TAMIS	Technical Assistance Management Information System
<i>Tashkeel</i>	Staffing complement and organization chart
ToT	Training of Trainers
UN	United Nations
UNDP	United Nations Development Program
USG	United States Government
<i>Wakili Gozar</i>	Traditionally-selected neighborhood representative

I. EXECUTIVE SUMMARY

This document presents the results of a performance evaluation of the Regional Afghan Municipalities Program for Urban Populations (RAMP UP-South, East, North and West) undertaken at the request of USAID/Afghanistan. The work was carried out between February 19 and April 17, 2013. Development Alternatives, Inc. (North, East, and West) and Chemonics, Inc. (South) are partners implementing the four projects in 33 municipalities of Afghanistan. Assistance to Kabul is being provided under a separate project.

1. PROJECT BACKGROUND

The overall purpose of the four RAMP UP projects is to help strengthen governance in key municipalities in Afghanistan. The program consisted of four distinct projects that share common goals and expected outcomes. Each project began on a different date, focused on different numbers of municipalities and had wide variety of funding levels. All now have the same completion date of December 9, 2013, although that may be extended to March 31, 2014. The evaluation team (four expatriates and three Afghan nationals) focused on assessing the effectiveness of the projects' performance to date in achieving their program goals, objectives and results. The evaluation also examined the impact of the projects on the increased legitimacy of local governance structures in the eyes of Afghan citizens- this is tied to receiving better services, understanding the responsibilities of municipal leaders, and playing an active role in municipal decision making. This was the first evaluation of these programs.

2. EVALUATION QUESTIONS, DESIGN, METHODS AND LIMITATIONS

The evaluation design and methodology included a mix of qualitative and quantitative data collection and analysis approaches, including document reviews, interviews of key informants, and evaluations of training conducted, comparative analyses of municipal functional assessments, and analyses of citizen perception/focus group surveys conducted by the four projects. The review of pertinent documents of the four RAMP UP projects extended to program design documents, grant agreements and amendments, progress reports, records for both Core and Functional training events, reports of activities completed (systems developed, infrastructure projects completed, etc.), program audits and other relevant donor documents.

The original nine questions (from the SOW) that the evaluation answered, in order of priority, are listed below. In addition, the evaluation team added Enabling Environment as the tenth area of inquiry when it became apparent that the political and policy environment are important factors influencing the performance of municipalities.

1. **Capacity Building:** Are the trainees currently using the new skills/knowledge they gained from the RAMP UP training? If so, which skills? What is the trainees' perception of the value and quality of the training they received?

2. **Systems:** What changes have taken place regarding the functionality of municipal accounting systems- specifically the processes for budget approval, formulation, and execution? What are the municipal officials/staff perceptions of the advantages/disadvantages of the new accounting/budgeting systems and processes? How will they continue/sustain these after RAMP UP assistance is over?
3. **Revenue Generation:** There were strong variances in the municipalities' ability to increase revenue. What were the characteristics of those high revenue and low revenue municipalities?
4. **Sustainability:** Given current staffing levels and budgets, how do municipalities plan to sustain the gains made in revenue generation and service delivery in the absence of donor assistance?
5. **Corruption:** Do municipal workers feel that corruption has reduced within the municipal government? Why or why not?
6. **Youth and Gender:** Has employment of women in municipalities increased? Have municipal workers' attitudes changed towards the inclusion of women and youth in municipal activities and decision-making? According to beneficiaries of youth and gender sub-grants under RAMP UP, what were the effects of RAMP UP- South sponsored activities? (Note: the intended method of answering this final question is to meet with one or two beneficiaries per municipality)
7. **Public Private Partnerships:** Some RAMP UP programs did not meet the targets for the creation of public private partnerships. What factors prevented reaching these targets?
8. **Performance-Based Budgeting:** Some RAMP UP programs did not meet the targets to implement performance-based budgeting systems. What factors prevented reaching these targets?
9. **Citizen Perceptions:** Questions will be answered under a separate Citizen Perceptions SOW.
10. **Enabling Environment:** What factors in the enabling environment need to be considered in helping strengthen municipalities' performance? (Question added by evaluators to address Item 2 in the purpose of the evaluation.)

Municipalities Visited

Initially, research was to have been conducted in a total of 16 municipalities, or at least four municipalities from each region (North, South, East, and West). This sample was to include the four municipalities under RAMP UP- West (Herat, Chakhcharan, Qala-e-Naw, and Farah) and four municipalities under the other three programs. Although the evaluation scope of work suggested a variety of factors be considered in the selection of municipalities to be

studied, the evaluation team chose instead to visit the same municipalities that the Mission had selected for the Citizen Perceptions Survey that was conducted simultaneously with this evaluation.

During the evaluation, security and logistical challenges required further changes to the list of municipalities to be visited. Thus, Chakhcharan, Qala-e-Naw and Farah in RAMP UP- West, Qalat in RAMP UP- South and Sharana in RAMP UP- East could not be visited. The municipalities eventually visited were as follows:

Project	Municipalities
RAMP UP East	Basarak
	Charikar
	Ghazni
	Mehterlam
RAMP UP West	Herat
RAMP UP South	Kandahar
	Lashkar Gah
	Tirin Kot
RAMP UP North	Mazar-e-Sharif
	Kunduz
	Aybak
	Sar-e-Pul
	Sherberghan

3. FINDINGS AND CONCLUSIONS - SUMMARY

- The RAMP UP program design and approach assumed a level of sophistication of mayors and an implementation capacity of municipalities that did not reflect the reality on the ground.
- The original allocation of \$1 million a year of USAID funds for each municipality without regard to their size or capacity failed to take into account the Afghan context.

- Erratic and unpredictable USAID funding of the four projects had a major adverse impact on the DAI and Chemonics teams and on the mayors who were to play pivotal roles according to the program design: the credibility of mayors to deliver for citizens was undermined and the credibility of implementing partners with mayors suffered.
- The implicit COIN hypothesis behind RAMP UP that improvements in services for citizens will lead to increased approval of government also means that failure to improve those services can decrease approval of government. Citizen Perception Survey results seem to reflect the latter.
- Levels of improvements to internal municipal systems (accounting, budgeting, revenue generations, automation, etc.) vary widely across municipalities.
- Decentralization of USAID oversight of RAMP UP has produced uneven results by the four projects, e.g., some municipalities are doing only budget improvements without changes to the accounting system, some are introducing automated systems while others are staying with manual systems, some are using stand-alone automated systems and others are promoting an Integrated Financial Management System (IFMS).
- With the exception of RAMP UP- North municipalities, trainees in most municipalities are using their new skills/knowledge gained from the RAMP UP training they received.
- Mentoring was infrequent in RAMP UP- North but was widely and successfully employed by the other RAMP UP projects.
- The employment of new, younger staff as a result of the *Tashkeel* reform now underway is a reason to be optimistic that municipalities' will continue to see capacity improvements.
- Widespread automation of municipal accounting and budget systems (payroll, budget formulation, tracking of revenues and expenditures, budget reporting, etc.) is complete or nearing completion in the municipalities visited, with the exception of those in RAMP UP-North.
- Municipal officials interviewed in RAMP UP - South, RAMP UP-East, and RAMP UP- West spoke highly of the new accounting/budgeting systems and processes and report that they are faster, more transparent and produce fewer errors.
- Revenue increases by most municipalities reviewed came from sources other than business licenses and the *Safayi* fees, including property sales, car licensing, and the leasing of city-owned land
- In RAMP UP- West there was no causal relationship between the efforts of the RAMP UP team and the amount of revenues generated.

- If mayors continue to provide their political will and require that the new systems be used, and if IDLG institutionalizes them at the national level, prospects are good that these changes will be sustainable.
- Prospects for these gains to be sustained should also increase with the employment of younger, better-educated, computer literate staff coming out of the Public Administration Reform process.
- The RAMP UP projects were not expected to curb corruption in municipalities, thus no anti-corruption activities beyond anti-corruption training were implemented by the projects.
- The installation of automated tax billing/collection systems for business licenses and *Safayi* fees, the use of commercial banks in the collection process, and computerized record keeping have led some people to believe that financial transaction with the municipality are more transparent.
- Increased employment of women and youth was not a performance indicator, nor were RAMP UP activities initiated to stimulate employment of these two groups.
- Beneficiaries of youth and gender grants reported gaining new skills and knowledge, but the training did not lead to employment following their internships.
- Several municipalities are doing things with the private sector that they consider Public-Private Partnerships (PPPs) but that do not meet the USAID definition.
- Installation of performance-based budgeting is time consuming and sophisticated.
- All of the RAMP UP projects successfully revived and reinvigorated the Citizen Forums as the centerpiece of their citizen outreach strategies.
- Although their members are not popularly elected, Citizen Forums are convened regularly, kept informed about municipal functions, solicit input on citizen priorities and provide some representation of public views.
- Prospects for passage of a new Municipal Law that calls for elections of mayors and councils are uncertain given the low level of political will among the current national leadership to increase authority and autonomy at the subnational level.
- Although municipalities are independent financial entities, provincial and central government agencies must approve their budgets and *Tashkeels*, a lengthy process requiring signed original hard copies, which are difficult to deliver due to conditions in the country.
- There are informal decision-making processes at the provincial and central levels that interfere with municipal budgets and operations.

4. RECOMMENDATIONS

- While emphasizing USAID assistance to Provincial capitals, make future participation merit-based, with municipalities (including those beyond provincial capitals) required to meet conditions for assistance.
- Incentivize and reward municipal capacity improvements by making such improvements part of the conditionality for future USAID funds.
- Expand the scope of RAMP UP assistance for municipalities to include developing their capacity to independently manage their procurements, including adopting policies and following GIRoA procedures and best practices that meet recognized international (World Bank) procurement standards.
- Work with municipalities to develop other revenue sources in addition to business licenses and Safayi fees, especially increasing taxes on activities and transactions (customs, licenses) that are easier to collect.
- Do Business Process Simplification (BPS) to strengthen and streamline municipalities' personnel and budget approval and execution procedures.
- Expand and increase the frequency of consultations with citizens and public dissemination of municipal decisions and financial information, Citizen Forum decisions, and other practices that promote openness.
- Help implement a GIRoA policy of mainstreaming gender and youth across all government institutions by encouraging IDLG to mandate gender quotas in municipal employment and membership in Citizen Forums.
- Discontinue efforts to encourage public-private partnerships that require both sides to make financial contributions. The PPP concept is not well understood by most municipal officials, mayors, or the public.
- Discontinue efforts to encourage municipalities to adopt performance-based budgeting, which is too sophisticated and not needed at this point in the development of Afghan municipalities.
- Give greater attention and resources to promote and support citizen outreach and engagement, which has already been greatly improved in most municipalities assisted by RAMP UP.
- Work with IDLG to draft and seek approval of needed policies, laws and procedures that streamline staffing processes and identify and eliminate informal controls and approval processes affecting financial and programming activities in municipalities.

II. INTRODUCTION

1. PROJECT BACKGROUND (FROM STATEMENT OF WORK)

Since the fall of the Taliban, Afghanistan has been working with the international community to rebuild governance structures and improve infrastructure throughout the country. Buoyed by their commitments under the Afghanistan Compact (AC) and encouraged by the prospect of a comprehensive, citizen-centered and forward-looking development agenda under the Afghanistan National Development Strategy (ANDS), the GIRoA continues to seek out ways to improve the quality of life for Afghan citizens. The overall governance structure remains highly centralized and subnational governance institutions, particularly at the municipal level, lack clarity on their roles and functions and are often unresponsive to community needs.

Although estimates may vary, it is clear that the trend towards rapidly growing urban population will exacerbate the current lack of basic municipal services. Afghanistan's ability to provide effective and transparent governance, responsive service delivery, increased citizen participation and targeted local economic development has the potential to improve security as well as the overall quality of life for citizens. Urban areas and municipalities have a great potential to serve as economic engines for the country and, therefore, warrant considerable attention. As such, the RAMP UP programs intends to address these challenges and issues.

The RAMP UP program has helped mayors, municipal staff, and citizen groups in each municipality where they work. To implement program activities, implementing partners (IPs) draw on their relationships with mayors, local and international nongovernmental organizations (NGOs) and Provincial Reconstruction Teams (PRTs) to mobilize their national staff and a pool of national capacity development specialists in the municipalities where they work. The IPs' national staff members serve as "embeds" at the municipality, providing on-the-job training to municipal employees.

2. EVALUATION PURPOSE

The purpose of this evaluation (as stated in the Statement of Work) was to study and document the successes and weaknesses of the RAMP UP program, and to develop recommendations to promote the effectiveness of municipalities in democratic governance at the subnational level. The evaluation was to cover the full length of the program to date.

USAID/Afghanistan's Office of Democracy and Governance will use the evaluation conclusions and recommendations to inform the design of the new municipal governance program, which will take place in spring 2013. Shared lessons will also benefit the larger USAID/Afghanistan mission, other donors working at the municipal level, and importantly, the General Directorate for Municipal Affairs (GDMA), mayors, municipal staff, and other GIRoA stakeholders who aim to improve municipal governance.

This evaluation should:

1. Evaluate the design, approach, implementation, and effectiveness of USAID's support for municipal capacity building, service delivery improvement and income/revenue generation through RAMP UP; the discussion should include the program's effectiveness in achieving the expected results; identification of strengths and weaknesses; and an assessment of the sustainability of individual projects after the projects end.
2. Distill lessons learned on program design and implementation to guide the design of future municipal programming.
3. Identify any corrective actions necessary to guide RAMP UP activities over the final year of the performance period.
4. Specifically examine each Programs' interventions, such as the scope, level and effectiveness of RAMP UP activities in the following areas:
 - a. Training (both on-the-job training and classroom training)
 - b. Overall capacity building of municipalities
 - c. Improved service delivery
 - d. Citizen involvement in municipal governance
 - e. Economic development and revenue generation

3. EVALUATION QUESTIONS

The SOW specified the questions that the evaluation was to answer, in order of priority, as follows:

1. **Capacity Building:** Are the trainees currently using the new skills/knowledge they gained from the RAMP UP training? If so, which skills? What is the trainees' perception of the value and quality of the training they received?
2. **Systems:** What changes have taken place regarding the functionality of municipal accounting systems, specifically the processes for budget approval, formulation, and execution? What are the municipal officials/staff perceptions of the advantages/disadvantages of the new accounting/budgeting systems and processes? How will they continue/sustain these after RAMP UP assistance is over?
3. **Revenue Generation:** There were strong variances in the municipalities' ability to increase revenue. What were the characteristics of those high revenue and low revenue municipalities?

4. **Sustainability:** Given current staffing levels and budgets, how do municipalities plan to sustain the gains made in revenue generation and service delivery in the absence of donor assistance?
5. **Corruption:** Do municipal workers feel that corruption has reduced within the municipal government? Why or why not?
6. **Youth and Gender:** Has employment of women in municipalities increased? Have municipal workers' attitudes changed towards the inclusion of women and youth in municipal activities and decision-making? According to beneficiaries of youth and gender sub-grants under RAMP UP, what were the impacts of RAMP UP- South sponsored activities? (Note: the intended method of answering this final question is to meet with one or two beneficiaries per municipality)
7. **Public Private Partnerships:** Some RAMP UP programs did not meet the targets for the creation of public private partnerships. What factors prevented reaching these targets?
8. **Performance-Based Budgeting:** Some RAMP UP programs did not meet the targets to implement performance-based budgeting systems? What factors prevented reaching these targets?
9. **Citizen Perceptions:** Questions will be answered under a separate Citizen Perceptions SOW.
10. **Enabling Environment:** What factors in the enabling environment need to be considered in helping strengthen municipalities' performance? (Question added by evaluators to address Item 2 in the purpose of the evaluation.)

The evaluation's findings will be reported in these categories.

4. METHODS AND LIMITATIONS

a. Methodology

The evaluation method was based on the approved Evaluation Work Plan (see Annex II). It consisted of document reviews, site visits, and key informant interviews in Kabul and the municipalities listed in the following table:

Project	Municipalities
RAMP UP East	Basarak
	Charikar
	Ghazni
	Metherlam
RAMP UP West	Herat
RAMP UP South	Kandahar
	Lashkar Gah
	Tirin Kot
RAMP UP North	Mazar-e-Sharif
	Kunduz
	Aybak
	Sar-e-Pul
	Sherberghan

In addition to extensive interviews in the municipalities, other key informants included senior managers in IDLG, the Ministry of Finance, donors, and others familiar with subnational governance and municipality operations. See Annex III for a list of documents reviewed.

Data collection was on the basis of questionnaires and interview guides. Wherever possible information was verified by obtaining data from multiple sources. Data analysis was carried out by team members in group discussion and individual collating of interview findings. Samples of data collection and analysis results are in Annex V, raw interview notes are on file and available for review.

Limitations

A major limitation was the scope of activities to be evaluated. RAMP UP consisted of four separately managed projects operating in 33 municipalities across Afghanistan, with a combined budget of some \$270 million early 2013. In addition, there were variations in the pace and scope of implementation across municipalities within each project, which made the evaluation team cautious in drawing conclusions for all municipalities within a project.

Due to travel and security restrictions, it was only possible to visit 13 municipalities. Another factor was the inevitable challenges associated with working through interpreters; team members were able to observe some of the more obvious and visible municipal operations, but were not able to consult with informants as fully as they would have if there had been no language barriers.

III. FINDINGS

Findings are presented in the categories corresponding to the Evaluation Questions (above), which are repeated in this section for convenience. Two sections were added: one on the municipalities' enabling environment, and one for key overview findings, which are inserted at the beginning of this section due to their significance in responding to the first four items in the "Purpose of Evaluation" section above.

Key Overview Findings:

1. PROGRAM DESIGN, APPROACH AND IMPLEMENTATION

- The RAMP UP program design and approach assumed a level of sophistication of mayors and the implementation capacity of municipalities that did not reflect the reality on the ground.
- The original allocation of \$1 million a year of USAID funds for each municipality without regard to their size or capacity failed to take into account the Afghan context.
- The withdrawal of RAMP UP policy advisors from IDLG as a result of large USAID budget cuts was a major lost opportunity to influence Afghanistan's municipal governance enabling environment.
- The implicit COIN hypothesis behind RAMP UP that improvement in services for citizens will lead to increased approval of government also means that failure to improve those services can decrease approval of government. Citizen Perception Survey results seem to reflect the latter.
- It is unclear whether or not the municipalities have revenue problems or spending problems.
- Levels of improvements to internal municipal systems (accounting, budgeting, revenue generations, automation, etc.) vary widely across municipalities.
- Decentralization of USAID oversight of RAMP UP has produced uneven results by the four projects, e.g. some municipalities are doing only budget improvements without changes to the accounting system, some are introducing automated systems while others are staying with manual systems, some are using stand-alone automated

systems and others are promoting an Integrated Financial Management System (IFMS).Design Flaws and Implementation Short Falls

There were major problems with the initial premises and assumptions in the design of the RAMP UP projects – a few are described here.

A fundamental premise of the RAMP UP program was that little progress had been made in Afghan cities and that citizen satisfaction was low. Thus, RAMP UP was designed to fund major and visible capital improvements and service improvements while working behind the scene so that the local mayor would receive credit, thus establishing local governance viability. In turn, seeing visible improvements appear before their eyes, citizens would have heightened confidence in their local government, and it would be measurable: a survey would be taken, and citizen satisfaction would increase by 20% annually. Finally, the needs were urgent, so implementers were given only one year to perform, with the second and third years being performance-based option years.

Both the design and implementation of RAMP UP have fallen short in a number of areas, including:

- The contractual premise that Afghan citizens were not happy was not found in fact. In the West, 74% of citizens in Farah were satisfied with services (Herat saw 68% satisfaction), numbers virtually unheard of in a US city. Moreover, the commitment of a 20% increase to baseline approval annually was simply not possible, requiring the percentage in Farah to exceed 100% in year 2, and 99% in Herat. With no baseline, this fact was not known until after PMPs had been established.¹
- At the other end of the scale, the people of Chakhcharan *were* unhappy; less than 12% were found to be satisfied with services. But according to the 20% standard, after three years of massive expenditures, ‘success’ would have required only 1 in 5 Chakhcharan residents to be satisfied. Indeed, the level of increase required would have been within the annual margin of survey error.
- Money was not allocated to cities by population or capacity, but was simply divided by entity. (A weighting system was considered, but it was not implemented) Thus Herat, with a population of over 400,000 is projected to receive about \$2.35 per capita over the program’s three years while Chakhcharan, population 6,500, will receive over \$235 during the same year—despite the fact that the latter does not have a civil engineer on staff. This was seen as particularly egregious by the larger city mayors in Herat, Mazar-e-Sharif, and Kunduz.

¹ The baseline was established from the entire population. Therefore, a 50% approval in the Base Year would require a 60% approval in Year 1 (20%) and a 72% approval in Year 2.

Implementation of the program also encountered problems. The base year/option/option design put constraints on implementers, each of which began projects with millions of dollars to spend in year 1, or risk not having the option year exercised. Thus, they were faced with setting up facilities and security, recruiting and training staff (there was no reservoir of trained municipal experts in Afghanistan, and the needs of five large municipal projects all starting simultaneously quickly depleted the limited supply, leading to the need for training). Projects required public input, engineering design, bidding, and construction, which took months.² At a minimum, the months of December-March were not available for construction, and Ramadan/Eid was a five-week period of limited productivity. Most implementers reported a shortage of skilled subcontractors that could do the work. Moreover, contracts were signed but startup delayed in the West and North due to security issues; therefore additional months from the base year were lost even before the program was on the ground.

Having effectively a one-year contract also meant that subcontracts could not go beyond the end of the contract year, making larger contracts impossible to start. Thus, implementers were left with a lot of money to spend in a time span that was simply too short.

2. CITIZEN ENGAGEMENT

- All of the RAMP UP projects successfully revived and reinvigorated the Citizen Forums as the centerpiece of their citizen outreach strategies.
- Although their members are not popularly elected, Citizen Forums are convened regularly, often kept informed about municipal finances, consulted about citizen priorities and provide some representation of public views.
- The success of Citizen Forums was recognized by IDLG and has stimulated the ministry to form pilot Municipal Advisory Groups, which are elected bodies slated to replace the Citizen Forums.
- There has been a proliferation of donor-promoted citizen consultative bodies, that are not always coordinated.

The evaluation scope of work did not pose questions about citizen engagement, but from the evaluation team's first visits to municipalities it appeared that this is one of the successful and important aspects of the RAMP UP program that needs to be encouraged. From the

² The American Recovery and Reinvestment Act of 2009 famously targeted 'shovel-ready' projects. But even in cities and states with pre-planning, sophisticated engineering tools, professional public sector engineers, well-oiled procurement processes, consulting engineers to meet the surge, and excellent construction companies, projects took several years to complete. None of those assets were in place in Afghanistan, and the expectation that large projects could be completed in months was not realistic.

Case Example: Herat

The mayor of Herat had done exactly what RAMP UP would have hoped. Having established a citizen's advisory board several years ago, he immediately went to solicit their input—how could they spend \$50 million wisely? The community voted for a road construction project.

In May 2011 the mayor was told the RAMP UP project was cut, that it might not continue beyond November, and that he could receive only \$1 million for projects in the current year, insufficient for the planned roads project. He was devastated, he was angry, and he felt cheated. Meanwhile many citizens, egged on by the mayor's political nemesis, the Provincial Governor, replaced the lack of visible projects with a visible anger. Newspapers reported:

Protesters: Herat Municipality Official Lies to People

This happens at a time when some time earlier Dr. Dawod Shah Sabah, Herat province governor said that Herat mayor has been lying to Herat's citizens. Later investigation of Herat municipality bank accounts revealed that the municipality didn't have any budget for construction of streets (in the city) (Kohandazh Newspaper)



Figure 1 Tree Planted in pothole—picture taken from Herat newspaper.

Sadly, it appears that the premise of RAMP UP was true, proven by the inverse of what was intended. Seeing a mayor that had overpromised and under delivered—or simply lied—citizen satisfaction fell 14% in Herat in year 2 of the project, as shown the following table.

outset, both implementing partners understood that support and buy-in from the citizens was essential. Part of the RAMP UP strategy was to improve GIRoA municipal governments' legitimacy by institutionalizing public outreach and communication mechanisms that strengthen municipal governance, accountability, transparency and citizen participation.

Accordingly, the IPs engaged the public in the implementation of municipal projects through comprehensive public education and outreach efforts aimed at ensuring that citizens were both aware of, and participants in, municipal government service delivery and revenue generation programs. The emphasis on 'capacity building' of municipalities to improve service delivery contributed to enhanced citizen satisfaction in municipal services, which was complemented by citizen outreach programs. In each municipality the RAMP UP program implemented outreach programs that targeted all segments of the population, including tribal elders, members of the religious and business communities, and encourage the participation of disadvantaged groups, particularly women and youth in local governance. Citizens responded to these initiatives by attending public meetings and project dedications and providing feedback to mayors through Citizen Forums.

Of the various institutional outreach and communication mechanisms pro-

moted by the RAMP UP program (newsletters, monthly television, radio and press interviews, service delivery project openings, etc.), one of the most effective is the monthly Citizen Forums convened by mayors, with encouragement of the local RAMP UP advisors. Originally started by ICMA as part of the Afghanistan Municipal Support Program, a RAMP UP predecessor project, Citizen Forums have been revitalized by the RAMP UP projects as the principal means to ensure citizen representation, engagement and participatory planning focused on municipal service delivery.

Made up of some 27-30 representatives of interest groups (business leaders, traders, civil society, etc.) they are not popularly elected, but the incumbents select new members when a vacancy occurs. The mayor convenes meetings and attendance is by invitation only. Only a handful of women are members of Citizen Forums, but the Forum frequently invites them when issues of concern to women are on the agenda.

The evaluation team, for example, attended two two-hour monthly Citizen Forums, one in Mehterlam and the other in Basarak, as part of the evaluation process. In both cases the issues discussed were service delivery priorities of the citizenry and discussion was open, free flowing and direct. Women spoke and appeared freely to voice their opinions.

It is to these Forums that every municipal mayor now turns to for citizen input on their priorities for service delivery improvements, for budget approval and, in some cases, to report on budget implementation progress. In some municipalities the consultative process is more limited (e.g. in Charikar the mayor does not report periodically to the Citizen Forum on budget execution), but clearly a consultative pattern with citizens is beginning to take hold and the foundation has been set for increased citizen engagement, participation and empowerment in municipal decision-making.

Taking note of the effectiveness of the Citizen Forums as consultative bodies, the GDMA has initiated pilot programs in Charikar and Herat to replace these bodies with Municipal Advisory Boards (MAB); they will be elected by citizens from a short-list of candidates nominated by *mullahs*, business leaders, traders, civil society, etc. In Charikar the MAB will consist of 24 members, or six per district, and will include at least one woman from each district. If this approach is realized, especially the 25% quota for female participation, it will mark a GDMA milestone in gender mainstreaming.

It is, however, still too early to tell whether increased municipal responsiveness to citizen needs and priorities are producing greater public confidence, legitimacy and support. The result of the RAMP-UP Perception Survey that was conducted concurrently with this evaluation helps to answer that question.

Findings that were related to the Evaluation Questions in the SOW are as follows.

3. CAPACITY BUILDING

SOW Question: Are the trainees currently using the new skills/knowledge they gained from the RAMP UP training? If so, which skills? What is the trainees' perception on the value and quality of the training they received?

- With the exception of RAMP UP- North municipalities, trainees in most municipalities are using their new skills/knowledge gained from the RAMP UP training they received.
- Assessing the benefits of classroom training is difficult because it is difficult to isolate the benefits of formal training from those resulting from on-the-job training (mentoring).
- Mentoring was infrequent in RAMP UP- North but was widely and successfully employed by the other RAMP UP projects.
- The most widely used skills include: Microsoft Office (particularly Excel), budgeting and revenue development.
- Most trainees perceive the mentoring provided to be of great value, but consider classroom instruction to be a waste of time in many instances.
- Municipal staffs want more training, especially in technical and computer fields like Office, GPS, AUTO CAD, etc.
- Older municipal employees sometimes exhibited resistance to learn new skills, especially those that involved computer applications. However, some did get on board and thus insured that vital institutional memory was retained.
- It is unclear how much of such resistance stems from the fear of losing one's job, how much is recognition that transparency reduces opportunities for graft or lack of confidence in the individual employee.
- The employment of new, younger staff as a result of the *Tashkeel* reform now underway is a reason to be optimistic that municipalities' capacity improvement will continue.
- Capacity building is hindered by the constant rotation of mayors and the fact that they are all competing for reform funds.

Perhaps no other term best captures the essence of the RAMP UP projects than capacity building. Though the process often has many definitions, the following is appropriate to the four RAMP UP projects:

The process of developing competencies and capabilities in individuals, groups, organizations, sectors or countries which will lead to sustained and self-generating performance improvement. (AusAID 2004)

Acknowledging the low levels of knowledge and skills of municipal employees when the RAMP UP projects began, the IPs employed a two-pronged approach in the upgrading of those skills. This approach of delivering technical assistance and capacity-building support to municipalities combined classroom instruction and desk-side consulting/mentoring.

Formal classroom training was provided in so-called Core (basic) subjects and specialized (Functional) training for more advanced subjects. Classroom instruction introduced municipal officials to the subject matter and established a foundation that prepared municipal employees to work with IP technical advisors embedded in, and working daily, from municipal offices. In each municipality, the Embedded Advisors (EAs) represented technical specialties ranging from accounting and budgeting information systems to urban planning and public works engineering. They also included advisors in procurement, economic development, tax/fee administration and gender.

IDLG had also determined that the best approach to capacity building of municipal officials, managers, and technicians was integrated training and on-the-job mentoring that provided the required follow-up support needed to avoid training disconnects.

In some places visited by the evaluation team (e.g. Ghazni), there have been issues between the mayor and RAMP UP- East regarding where the embedded advisors should be located. Obviously, the availability of office space has been a consideration, but initially the RAMP UP advisors worked side-by-side with their counterparts while the latter were taught new skills and new systems were installed. More recently, the issue has become complicated by the successes of the RAMP UP advisors and their desire to gradually create some separation between themselves and their municipal counterparts in order to encourage independence. In visits to Mehterlam, Charikar, and Ghazni (RAMP UP- East), for example, the evaluation team observed that the advisors were in the same building, but not in the same office. In Basarak the desk of the embedded advisor and his counterpart face one another. In all cases, the advisors have daily contact and are on-call when their counterparts need assistance.

It is important to bear in mind that the RAMP UP projects deliberately threw a wide net in presenting core classroom training to municipal employees in the four RAMP UP regions. In visiting the four RAMP UP- East municipalities it could not be determined what percentage of that large number were actually using the new skills/knowledge they gained from the RAMP UP training. What was evident is that the trainees in the four municipalities who received both classrooms training and mentoring were indeed using their new skills/knowledge they gained through RAMP UP training. This was readily observed in the four municipalities of RAMP UP- East where the use of computers for correspondence, for payroll preparation and tracking, in the preparation of the 1392 budget, and for the ongoing development of and use of business licensing and *Safayi* fee systems have been adopted.

In interviews with municipal employees and RAMP UP- East, the most highly regarded training was in budgeting (preparation, management and reporting), revenue generation and computers (Microsoft Office). There was a range of opinions expressed by employees about the value of classroom instruction provided by RAMP UP, which ranged from great value to a waste of time in some instances. It was clear during interviews with the GDMA that they consider the RAMP UP training not to be cost-effective and much preferred to deliver the training themselves. Without trying to parse these reactions too finely, it is worth noting the challenge of trying to assess the benefits of classroom training because it is difficult to isolate the benefits of formal training from those resulting from on-the-job training (mentoring). The two tended to blend together.

The introduction of and training in computer/information systems software has already had a transformational effect, not just in the way municipalities conduct their business (i.e. faster and with fewer errors), but also the profound effect computers are having on the individual municipal employee, as well as employee relationships with citizens. From conversations with employees in the RAMP UP - East municipalities visited during the evaluation, there is manifest pride in having taken a major step into the modern world by learning and using computers. Employees speak with a new sense of empowerment and pride that this new automation has given them. The accounting department chief in Charikar observed that “The computer has given me confidence that my numbers are more accurate and my reports are now submitted on time

There were occasions during the first years of the RAMP UP projects when older municipal employees sometimes exhibited resistance to learning new skills, especially those that involved computer applications. The evaluation team has been cautious when attempting to judge why some older people do not take immediately to the new approaches and systems RAMP UP introduced. In Basarak, when the RAMP UP Revenue Advisor tried to train the number two in the revenue office so that the municipality would have a backup, he was met with resistance. In this case, it was judged that his reluctance stemmed from the employee’s fear of the computer.

To ensure skills transfer, RAMP UP- South worked with each mayor to deliver comprehensive training programs that included management and technical training to support the sustainability of RAMP UP- South initiatives. This training resulted in the development of 45 curricula on subjects ranging from Microsoft Word and Excel, to supervisory training, to file management to technical training on IFMS modules such as budgeting and parcel registration, and SWM systems. As of February 2013, RAMP UP - South has trained 684 individuals consisting of municipal employees, those who hold official *Tashkeel* positions, and those who are contracted by the municipality, as well as other individuals who interact with the municipality such as women and youth. RU-S in conjunction with the Kandahar municipality provided technical training to three female data entry clerks and several young males who became employees of the municipality's data processing department.

RAMP UP- West has instituted an application process for new public works projects, which provides an interesting pilot on which future projects may be built. In this case, each city is

required to provide engineering, a narrative description, and a sustainability plan for their project. This initiative was undertaken in Year 2, when no city submitted a viable application. In Year 3, RAMP UP- West is providing training on preparing the application, a process that will likely improve results and be useful to cities in future years.

There were exceptions to the widespread use of new skills/knowledge gained from the RAMP UP training, especially in the RAMP UP - North municipalities. There, a different approach was taken: virtually all training was in support of public works projects. Hence, unfortunately, when the public works projects were cut, so was training. Unlike RAMP UP- West, municipal staff had a very limited technical role in preparing projects, with most design emanating from RAMP UP- North staff. An additional barrier was found in the decision that Municipal staffs are allowed only to view bidders' proposals, but not participate in the evaluation, which led the Kunduz mayor to allege RAMP UP corruption. The evaluation team did not consider this a valid charge, but at the same time understood that the mayor had been expecting an inclusive, learning-by-doing approach from RAMP UP. Instead, due to its own inflexible corporate rules, and in an effort to control entry points for corruption, RAMP UP- North has chosen to employ a *learning-by-watching* methodology in the area of procurement, which is neither popular nor particularly effective. RAMP UP- North decided to drop the introduction of reforms in financial management, arguing that RAMP UP- North cities were currently complying with the law.³

While RAMP UP mentoring received high marks on RAMP UP- East, RAMP UP- West and RAMP UP-South, it was infrequent and not widely or successfully employed in RAMP UP- North. In the area of budgeting, municipal staffs in RAMP UP-North cities often rely totally on RAMP UP staff to convert their budget from hand-prepared ones to computerized ones. Indeed, according to GDMA, a new system of budgeting has been created in RAMP UP- North, with RAMP UP- North staff preparing the budget, having it checked at the RAMP UP- North main office, then submitting it for informal review to GDMA. Once it has been approved 'informally' RAMP UP-North staff are informed, print the budget, and it is then submitted for the approval process/signatures required. It is likely that most small cities will be returning to a hand-prepared budget when RAMP UP leaves the north. This is a significant shortcoming in RAMP UP-North operations.

In addition to developing and delivering capacity building training, municipal training centers were initiated in several municipalities. The training centers serve as a dedicated space within the municipality to facilitate ongoing training in basic administrative and technical competencies for local officials and students. RAMP UP - South staff has conducted training on several administrative topics, such as Microsoft Word, Excel, PowerPoint, preparing

³ It should be noted that financial management was dropped as part of the budget realignment, and with USAID concurrence. That decision seems incongruous within the municipal context. We also note that complying with Afghan legal standards falls far short of making a municipality a competent financial manager.

meeting minutes, and supervision. The training centers have also targeted youth and worked to encourage youth to develop their skill sets. The training centers will also provide a forum for employees to exchange best practices.

Despite criticisms of RAMP UP classroom training in Core subjects expressed to the evaluation team by GDMA, municipal staff in municipalities like Kandahar, Lashkar Gah, and Zaranj expressed keen interest in more training, especially in technical and computer skills such as MS Office, GPS, and AUTO-CAD. This came as no real surprise to the evaluation team because some of these technical fields are increasingly marketable in Afghanistan's private sector and have only limited applications in municipalities given their current state.

During the March-April 2013 period of the evaluation, GIRoA began to roll out its Public Administration Reform (also known as Pay and Grading – P&G) that includes long awaited and potentially major changes to the civil service (*Tashkeel*). This initial phase involved 17 municipalities including Mehterlam and Basarak. These reforms, which include new job classifications and increased municipal staff levels, require incumbent employees to re-compete for their jobs if they are to receive increased salaries. While a more skilled municipal work force is sorely needed, it should be noted that this transition will not be easy, as experienced but not technically skilled employees may be in jeopardy, leading to a loss in historical and operational context. Moreover, bureaucratic and political resistance to the removal of long-term employees will likely provide a significant hurdle to implementation. .

Afghanistan's municipalities face many challenges with regard to local government employee recruitment and retention, and mayors have limited control over the hiring process. While assisting with the hiring of *Tashkeel* positions has proven challenging, RAMP UP - South has assisted the municipality in improving its recruitment systems, increasing transparency in the process as well as encouraging the recruitment of female employees. HR management training delivered by RAMP UP - South, which focused on introducing human resource management responsibilities and skills, provided an overview of the laws and procedures governing recruitment, and increased understanding on the part of municipal employees of the grade and salary systems in Afghanistan.

The P&G reforms will bring new blood into the municipal *Tashkeel* in the form of younger, better-educated (14th year required) and computer literate municipal employees. These are potentially all good things for the long-term improvement of municipal governance and raise the odds on the sustainability of the new systems RAMP UP has introduced. However, the reforms could mean that the municipal employees trained by RAMP UP in new financial management and accounting systems will leave the municipality, taking with them the new capacity developed by RAMP UP, to seek more profitable employment in the private sector. The solution may rest with the training and mentoring multiple employees in sections such as revenue and budgeting so that these critical departments have some depth of personnel should senior employees leave critical positions.

Capacity building was also hindered by the frequent replacement of mayors. The frequent replacement of mayors resulted in programmatic discontinuity. Successful cities are led by effective mayors, and leadership is a learned skill. In many countries, this is key to USAID local governance programs, and they coordinate their assistance to coincide with elections so that new mayors have a full term to participate. In the case of Afghanistan, mayors are essentially at-will political appointments that are constantly subject to change. For instance, in RAMP UP- West, three of the four mayors were relocated in the first 18 months of the project, replaced by new mayors with mixed abilities. Most grievous was the removal of the popular and competent mayor of Farah, who shortly after being named Mayor of the Year was transferred to Qalat, a less-than-prestigious post that he rejected, with the result that he left government. These seemingly arbitrary changes create significant problems municipalities, and for effective program implementation and sustainability.

a. Limited View of Capacity Development

A large part of RAMP UP's support for municipalities consisted of capacity development, which usually took the form of training or mentoring in various functions required or municipal operations. These inputs were seen as generally effective in improving the performance of municipal employees. However, capacity development to increase organizational performance is a multi-faceted endeavor, with skill development through training and mentoring being an important but relatively small part of what is required. See Annex IX for a summary of the many dimensions and levels of capacity development – most of these components deal with values, resources, and organizational and structural factors that are not included in most regular staff development, training and mentoring processes.

When the head of the capacity development unit at RAMP UP- South was asked whether his work included organizational development, he said that it did not. He seemed to be unaware that capacity development included a multiplicity of organizational development components. There was little evidence of projects attempting to address the broader structural and organizational factors that limited municipalities' performance. Without taking away from the many project achievements, this relatively narrow view of capacity development can be seen as weakness in the RAMP UP projects' design and operations. The case of Kunduz provides one example of how the RAMP UP projects' capacity efforts were limited in scope, which when coupled with a lack of sufficient embedded advisors to provide training and support, severely limits the long-term impact of the project.

4. SYSTEMS

SOW Question: What changes have taken place regarding the functionality of municipal accounting systems- specifically the processes for budget approval, formulation, and execution? What are the municipal officials/staff perceptions of the advantages/disadvantages of the new accounting/budgeting systems and processes? How will they continue/sustain these after RAMP UP assistance is over?

- With the exception of municipalities visited in RAMP UP- North, all of the municipalities visited in RAMP UP- West, RAMP UP- East and RAMP UP- South have reformed their budget approval, formulation and execution processes.
- Budget reforms adopted include establishing functional internal budget committees, development and use of budget codes (Chart of Accounts), etc. in Excel on stand-alone computers in RAMP UP- East and RAMP UP- West, and in SQL (a database software) on servers for municipalities in RAMP UP- South.
- Widespread automation of municipal accounting and budget systems (payroll, budget formulation, tracking of revenues and expenditures, budget reporting, etc.) is complete or nearing completion in the municipalities visited, with the exception of those in RAMP UP- North.
- Municipal staffs trained by RAMP UP embedded advisors used the new automated systems to prepare the budget for 1393 with minimal RAMP UP support.
- Absent an automated system, the RAMP UP- North advisors themselves prepared the 1393 municipal budgets manually so the budgets just met the IDLG legal requirements.
- Municipal officials interviewed in RAMP UP- South , RAMP UP- East, and RAMP UP- West spoke highly of the new accounting/budgeting systems and processes and report that they are faster, more transparent and produce fewer errors.
- Many municipal staff showed evident pride in their newly acquired computer skills.
- The unexpected announcement by GDMA of its intention to use the Integrated Financial Management System (IFMS) in all provincial municipalities and have all their financial records maintained in an integrated financial system is premature. An IFM system requires a system administrator, strong and reliable Internet connectivity and reliable electricity in each city. This is effectively an unfunded mandate that many municipalities will be unable to meet without donor assistance. IDLG may receive assistance required to establish and maintain an IFMS, but most cities will be unable to support such a system.
- Having a complete IFM system networking cities internally and with IDLG centrally may be a laudatory long term goal. But at the same time, it must be recognized that IDLG currently accepts municipal budgets *only in hard copy*, which requires hand delivery or weeks-long postage delivery times to Kabul. A more viable goal over the next years that would build a foundation toward IFMS would be to have IDLG adopt

a common Excel budget formal complete with a chart of accounts that all cities would be required to use—and to require that the cities submit electronically.⁴

- The most important changes introduced by the RAMP UP program are the reforms made to four core municipal management functions: financial management, planning and development, public works and revenue enhancement. Given the commendable progress to date, the modernization of these internal systems is likely to be the most enduring legacy of RAMP UP.

The RAMP UP projects' reforms began with internal surveys of each municipality that showed that municipalities were using single entry bookkeeping and only posting to revenue and expense ledger accounts without any offsetting entry to cash. Bank reconciliation was rarely accomplished, as without a cash ledger account, it required reconciling all the bank entries to all the ledger accounts. In other words, the general accounting and internal practices were extremely weak. Budget practices were also found to be significantly underdeveloped. The annual budget for all municipalities were hand written and lacked any analysis or information regarding assumptions.

In RAMP UP- East, Charikar, Basarak, Mehterlam and Ghazni, the municipal finance staffs eagerly learned Excel and are now implementing the automated payroll system. The embedded advisors only occasionally provide direct technical assistance to their municipal counterparts. These municipalities also continue the computerized recording of municipal expenditures, which is a government expenditure ledger. In the area of municipal finance, development of many of the forms and reports in Excel has increased the efficiency and accuracy of the accounting and budgeting process.

RAMP UP - West worked on some basic financial management improvements in Herat, including assisting the municipality to automate their recording of monthly expenditures and revenues. Initially Herat had forms, which supported required reports to the central government that had to be completed manually. Instead, RAMP UP advisors helped them develop and use a spreadsheet version to increase reporting efficiency and minimize errors. RAMP UP- West municipalities continue to handle payrolls by hand and automating them should increase transparency. Other financial reports that were produced by hand were automated.

Unlike these stand-alone automated accounting systems installed by the RAMP UP- East, RAMP UP- West and RAMP UP- North projects, the RAMP UP - South project opted instead to promote the adoption of a more advanced integrated system, the Integrated Financial Management System (IFMS). The IFMS builds on existing municipal structures to

⁴ The team found it very difficult to compare revenues and expenses city-to-city. While there is one standardized budget form provided by IDLG, the way that budgets are reported by cities varies greatly, with no clear definition among cities of which cost/revenue goes into any given line. Improving this 'system', which can be done simply using Excel and training municipal staff to properly track and record revenues and expenses is a fundamental first step that must precede an adoption of an IFM system.

streamline the revenue collection, budgeting, accounting, and payroll automation systems and ultimately improve overall municipal financial management. As expenses are entered into IFMS, the primary purpose of the accounting module is to provide transparency and efficiency by enabling the municipality and GDMA to more effectively monitor the use of resources by generating easily accessible trial balances, balance sheets, income statements, and ledger reports via the internet at any given time. RAMP UP-South delivered on-the-job trainings on IFMS, accounting procedures, and Excel to build municipal capacity in accounting functions.

Municipal officials interviewed in RAMP UP- South, RAMP UP- East, and RAMP UP- West openly endorsed the importance of a municipality's ability to transparently, consistently and verifiably account for their resources, both in terms of financial resources and physical assets. They spoke highly of the new accounting/budgeting systems and processes and report that they are faster, more transparent and produce fewer errors.

Error-prone or falsified records not only make it impossible for municipal officials and staff to remain accountable; they undermine the GIROA's legitimacy in the eyes of citizens. A strong indication that the objective of improved or functioning accounting systems is being achieved is when officials feel confident enough in the veracity of their records to share them with the public. When this occurs, communities are more likely to see municipal representatives as accountable to them.

An IFMS system that enables the GDMA/IDLG to gain access to the financial details of each municipality without having to request it would help the central leadership control municipal finances if it wished to do so. The evaluators have concluded that the GDMA announcement requiring all provincial municipalities to maintain their financial records in an integrated financial system is premature. While any automated system depends upon reliable electricity, an IFMS system also requires a system administrator and strong and reliable Internet connectivity, which would be difficult and expensive for the 34 provincial municipalities to maintain.

In two short years, the RAMP UP projects have quickly and effectively installed modern accounting and financial management systems in most of the municipalities. Municipal personnel have been trained to use those systems and have already demonstrated their effectiveness in producing, for example, budgets in electronic formats. The time has come for IDLG/GDMA to match this increased capacity on the supply side with demand side incentives such as announcing that they will only accept electronically prepared municipal budgets.

5. REVENUE GENERATION

SOW Question: There were strong variances in the municipalities' ability to increase revenue. What were the characteristics of those high revenue and low revenue municipalities?

- Variances in municipalities' ability to increase revenue are significantly influenced by mayors' commitment to collection, the number of businesses and properties that constitute the tax base, and where municipalities are in the adoption of RAMP UP revenue reforms.
- Revenue increases by most municipalities visited came from sources other than business licenses and the *Safayi* fees.
- The RAMP UP focus on the *Safayi* fee may not be worth all the effort and expense required to establish and maintain these systems and the ceiling on the rates that municipalities can charge will yield only modest amounts of new revenue. As discussed later in further detail, in many cities without large hotels and wedding halls, establishing and maintaining the systems necessary for the collection of *Safayi* will likely cost more to administer than the amount collected.
- The Ghazni municipality dramatically improved revenue collection in 2012 to Afs 46 million when they outsourced tax collections to a private company.
- In RAMP UP- West there was no causal relationship between the efforts of the RAMP UP team and the amount of revenues generated.

Variances in municipal revenue are linked to the volatility of various revenue sources in cities, and for that reason municipalities vary widely. It is widely believed that Afghan cities have access to a range of more than 50 revenue streams from which they may choose, which is a remarkably high number. However, a list provided by GDMA (see Annex VI) actually shows that over 80 possible taxes and fees are available to Afghan municipalities, and Afghan cities have varying revenue generation strategies, leading to wide fluctuations in revenue generation.

In most RAMP UP cities, significant revenue increases in total revenue could not be attributed directly to RAMP UP efforts, largely because relatively small increases in *Safayi* and Business License revenue were dwarfed by other revenues. Additionally, confusion may have been created as some RAMP UP projects reported large increases in total revenues, when in fact they were concentrating primarily on *Safayi* and Business License revenues, and had no impact on the total revenues of the municipalities.

This is not to say that RAMP UP was unsuccessful in increasing revenues - *Safayi* and Business License revenues increased almost universally, and in large measure the RAMP UP projects were responsible for those increases. In many cities, large canvassing projects were undertaken; businesses were identified and documented; bills were issued; and licenses were issued after payment was verified by the bank. These were important procedural improvements, and largely attributable to RAMP UP efforts.

Land sales continue to be a major source of revenue to municipalities, and while it is providing a large injection of money to municipal budgets, concern must be raised over the municipal dependence on the sales revenues vis-à-vis the finite nature of the source. For purposes of analysis, the Farah municipality revenue collection over the period of 1389-1391 is offered, which allows the following observations to be made:

- In large measure, the municipality acts as a landlord. Various leases make up a large part of their revenue stream.
 - The ‘city as landlord’ is a popular and common strategy in Afghan municipalities. Indeed, many of the municipalities assessed are anxious to build on this strategy, suggesting that slaughterhouses, wedding halls, business centers and other facilities be built /owned by the municipality, then leased out to a private business.
- The sale of municipal property is a major revenue source.
- Again and again, revenues seem to come from nowhere, and then disappear. For instance, a city vehicle tax (#3 in table below) was assessed in 1390, raised a large amount of money, and then vanished. Likewise for other fees at the bottom of the chart below.
- *Safayi* appears to be the only ‘tax’ assessed. All other revenues appear to be transactional in nature, typically a fee that is assessed on an activity.
- Business License fees are not assessed in Farah.
- Customs/entry taxes have not been assessed in Farah.

Revenue Analysis Farah Municipality 1389-1391						
No		1389	1390	1391	3 Year Total	Dollars
1	Lease of Government Land	11,742,234	29,382,400	24,599,687	65,724,321	\$ 1,314,486
2	Property sale (land for houses)	13,499,600	16,405,980	15,800,100	45,705,680	\$ 914,114
3	City tax for vehicle	-	28,882,110	180,500	29,062,610	\$ 581,252
4	Property change	4,554,556	8,005,839	3,864,556	16,424,951	\$ 328,499
5	Municipality shops leases	2,242,925	2,669,831	3,176,668	8,089,424	161,788
6	Property lease (building for workshop)	2,836,245	2,823,256	1,882,780	7,542,281	\$ 150,846
7	New shops	5,716,700	154,400	-	5,871,100	\$ 117,422
8	Hawala (Arrears)	1,515,711	2,271,950	504,484	4,292,145	\$ 85,843
9	Booth leases	988,797	1,063,738	754,070	2,806,605	\$ 56,132
10	Fines	533,400	885,448	275,080	1,693,928	\$ 33,879
11	Other not classified	50,650	1,506,550	119,127	1,676,327	\$ 33,527
12	Safayi (for houses)	159,596	337,551	1,047,116	1,544,263	\$ 30,885
13	Hotel lease	800,100	-	185,000	985,100	\$ 19,702
14	Plan tax	181,700	304,500	70,000	556,200	\$ 11,124
15	License (for craftment and businessmn)	404,291	117,374	26,600	548,265	\$ 10,965
16	Bath lease	257,767	155,000	-	412,767	\$ 8,255
17	Safayi (for shops)	-	161,778	45,360	207,138	\$ 4,143
18	Rushan Booths	-	108,000	-	108,000	\$ 2,160
19	Property lease (building for school)	66,960	-	-	66,960	\$ 1,339
20	Telecommunication	48,000	-	-	48,000	\$ 960
21	Bakery lease	38,700	-	-	38,700	\$ 774
	Total	45,637,932	95,235,705	52,531,128	193,404,765	\$ 3,868,095

a. Safayi

The case of *Safayi* is difficult and profound, for our review found that *Safayi* collection is the single most difficult tax that municipalities can assess and collect. In fact, along with Business Licenses and Customs Fees, it is one of the very few taxes that are assessed, as overwhelmingly municipalities seem (with some exceptions) to prefer to lease property or charge fees for transactions.⁵

The full study of *Safayi* was outside the SOW for the evaluation. However, the evaluation team learned enough to conclude that while additional study is warranted, every indication is that *Safayi* is not a cost-effective tax to collect, with the exception of very expensive properties. We come to this conclusion for the following reasons:

⁵ For the purposes herein, we refer to a 'tax' when there is no specific service rendered, but the revenue generally supports the Municipality. *Safayi* is referred to as a 'cleaning fee' but it is not specifically set-aside for sanitation—it is just general fund revenue, so it is a tax. Likewise, Business Fees/Taxes and Customs Fees are taxes—they are attached to no specific activity. This contrasts with licenses/fees which (in theory) should be linked to a specific regulatory action taken by the Municipality. These definitions are very nebulous in Afghanistan, as licenses rarely require the Municipality to cover a direct cost, making them more reflective of a simple tax.

- *Safayi* is a value-based tax. There are not adequate sales records available to accurately establish the ‘value’ of all residential, commercial, manufacturing, industrial, and governmental property. Lacking that information, Afghan cities have tried to (unsuccessfully) fabricate it, for the formulas cannot be calculated without base values.
- Values can vary wildly from street to street and property to property.
- Once the base value is established for a ‘standard’ property in each classification and in each neighborhood - a task that is effectively impossible - that ‘value’ is plugged into the formula.
- Each property must be extensively surveyed, as the formula requires the following calculations:
 - Square meters of land - relatively easy
 - Cubic meters of the wall - a measurement and calculation of height, length, and thickness. Relatively hard, but possible.
 - Total cubic meters of building and outbuildings. Incredibly hard, as it requires an internal survey of each structure, including ceiling height, to calculate cubic meters of area.
 - Construction materials. Very contentious, as property owners reportedly debate the subject endlessly.
- A ‘booklet’ must then be completed for each property.
- To be valid, each property should be surveyed regularly - vacant lots are built on, and renovations and additions are common as families expand.

Safayi Increase RAMPUP West and South 1389-1391		
RAMP-UP South	Percent Increase	Real Dollar Increase
Kandahar	56%	\$ 269,156
Qalat	5677%	\$ 6,722
Lashkagar	52%	\$ 48,098
Tirin Kot	315%	\$ 27,050
Zaranj	-36%	\$ (4,087)
Total	58%	\$ 346,939
Without Kandahar		\$ 77,783
RAMP-UP West		
Herat	46%	\$ 473,620
Farah	556%	\$ 17,750
Chagcharan	127%	\$ 5,870
Qal-e-Naw	-9%	\$ (2,143)
RAMP-UP W	47%	\$ 495,098
Without Herat		\$ 21,477

With this set of burdensome requirements, it is of little surprise that local municipalities apply *Safayi* haphazardly through an assessment process that is a far cry from the deductive steps noted above. *Safayi* revenues are typically not increased through any change in formula, but simply by having the mayor order Revenue Managers and District Collectors to collect a certain percentage increase.

This is not to say the *Safayi* cannot be collected, for RAMP UP - South proved that with the application of computers, GIS, and educated personnel, *Safayi* can be collected. However, once RAMP UP leaves, these extraordinary resources - a veritable *Safayi* SWAT team - will no longer be available.

Finally, and most importantly, as the accompanying chart shows, in all of RAMP UP- South,

Questionable Claims of RAMP UP Performance

Success Stories and reports from RAMP UP West, subsequently reported by USAID and the SIGAR, noted huge revenue increases in their first year. Upon closer review we found there was no causal relationship between the efforts of RAMP UP - West and the increased revenues experienced by the four western cities they served in Afghan FY 1390 (March 20, 2011 - March 20, 2012). Reports by RAMP UP- West claiming credit were in error.

RAMP UP- West focused almost exclusively on business license fees and *Safayi*, only two of the more than 20 sources of revenue applied by the municipality. Indeed, even if all of the *Safayi* and Business License increases in 1390 were attributable to the work of RAMP UP- West (a dubious claim), the over Afs 46 million increase in *Safayi* and Business License increases is dwarfed by the Afs 618 million increase on which the Success Story based its remarkable results. What was not reported was that Herat municipality's revenue jump - which was remarkable - was attributable largely to a new Vehicle Fee (Afs 65 million); Building Fees (over Afs 19 million); and the ongoing sale of land (Afs195 million).

an additional \$346,000 was collected over a two-year period of intense technical interventions- less than 50 cents per capita annually. A budget analysis was outside our SOW, but one speculates that it is likely that the costs of collection exceeded the revenue garnered. One should also note that RAMP UP- West had very similar results, though their methodology included no door-to-door assessments, but simply tracking revenues and encouraging collectors to meet their goal.

As noted previously, the *Safayi* (property tax) is a complex mechanism that is expensive to apply and realizes modest gains. While large cities, with hotels, wedding halls, and other large facilities may generate significant revenues from *Safayi*, the overwhelming numbers of Afghan cities are small and made up of residences and small shops. In these cities, the *Safayi* does not offer its traditional benefits of being a progressive tax, but instead is a tax applied to an overwhelmingly poor population that is very expensive to collect.⁶

Instead, Municipalities should emphasize collection of transactional fees/taxes (customs, licenses) that are easier to collect (thus better aligning with the bureaucratic capacity of the municipalities). Transactional fees are also more transparent, which is of large importance in a country with rampant corruption, and will thus find more political support, equally important in a fledgling democracy. The proof of this statement can be found in the table of revenues collected in Farah, where transactional fees and licenses make up a large majority of municipal revenues. Contrast this to Bazarak municipality, which after introducing *Safayi* under a previous USAID project, attempted to increase the very low *Safayi* rates but was forced to abandon the effort due to significant citizen resistance.

⁶ While not a part of this review, it must also be noted that the complicated calculations required of the *Safayi* that few can understand, along with the intense amount of field work done in validation, provides the perfect environment in which corruption can—and likely does—ferment.

The Customs/Entry Tax is not attractive to Americans, as it is considered an unconstitutional infringement on interstate commerce. That said, the Customs/Entry tax could be a godsend for Afghan municipalities, as it is effectively a value added tax that is easily collected at the city limits, and passed on to customers by the importers of goods. In lieu of a local sales tax, which is not permitted and would be impossible to collect, the Customs Entry tax should be supported and training provided so that it is collected fairly and transparently.

A value-based property tax does not align with the conditions found in Afghanistan. Moreover, even if value could be determined, most Afghan local governments do not have the capacity to effectively administer the tax. Work should be undertaken with IDLG/central government to revise and simplify the *Safayi* tax, so that it is understandable and can be applied fairly.

There are a number of models applied by Indian municipalities that could provide a way forward. Likewise, a US model for property assessments (not taxes) that uses street front footage/area when applying a localized assessment offers a model for adaption.

Afghan municipalities struggle to collect much needed revenues, as a lack of capacity and corruption create real barriers. In places like Ghazni, privatization of revenue collection proved a huge benefit for the municipality, and that model could be replicated and expanded.

The privatized collection of customs/entry fees has been rejected by the central government, which has stipulated the fees are to be collected directly by the municipality. This decision should be analyzed, and a way forward determined.

Prior to future projects being implemented, a full analysis of the financial resources available and applicable to varying Afghan cities should be undertaken. The current project created a one-size-fits-all approach that focused primarily on *Safayi* and Business Licenses, though there are 80 different revenue streams that can be identified. Different cities should have different strategies, depending on their size, location, and staff capacity. Indeed, even the *Safayi* may be applicable in some highly skilled cities. It is critical that individual revenue collection strategies be developed and adopted for individual cities.

The team also found a number of other claims that differed from reality:

- Claim: **Farah** revenues grew by 109%
- Reality: Increased *Safayi* made up .68% (less than 1%) of that total, and no business license fees were collected. The increase was overwhelmingly attributable to a new city vehicle tax and land sales.
- Claim: **Chakhcharan** revenues increased 21%
- Reality: In the area of business licenses, where RAMP UP- W ostensibly focused, the total increase for the year was AFs 1,700—about \$35. The total revenue increase was

about Afs 1.825 million. Of this amount, the Safayi and Business licenses amounted to about 102,500—or just 6% of the total reported.

- Claim: **Qala-e-Naw** revenues rose 45%
- Reality: While business license fees went up, total Safayi collections went down. Of the 45% increase reported, Business Licenses and Safayi made up 3.6%.
- Claim: “Municipal officials and citizens alike credit USAID assistance for making it happen”.
- Reality: No basis for claim

6. SUSTAINABILITY

SOW Question: Given current staffing levels and budgets, how do municipalities plan to sustain the gains made in revenue generation and service delivery in the absence of donor assistance?

- The RAMP UP projects have made their greatest progress in modernizing the internal budget, revenue generation and financial management systems of the municipalities.
- If mayors continue to provide their political will and require that the new systems be used and if IDLG institutionalizes them at the national level, prospects are good that these changes will be sustainable.
- The increase in employment of younger, better-educated, computer literate staff as a result of the Public Administration Reform process has the potential to increase prospects for these improvements to be sustained.
- Sustaining gains in service delivery capacity will be a greater challenge due to the modest improvements in the engineering and project management knowledge and skills of municipal staff.
- Prospects for sustaining the gains made in revenue generation and service delivery would be improved if some of the RAMP UP embedded advisors decide to become municipal employees as some of them have indicated they would.
- Afghanistan’s public sector does not have a pool of technocrats to manage even the basic institutions that make up public administration.

Sustainability is an issue that cuts across many other evaluation questions posed in the scope of work and it has been addressed earlier in this report relating to capacity building, systems and revenue generation. In considering sustainability issues, the evaluation team employed the following definition:

“The degree to which services or processes continue once inputs (funding, materials, training, etc.) provided by the original source(s) decrease or discontinue.” USAID Evaluation Glossary

The current staffing levels of the RAMP UP- East and RAMP UP-South municipalities should pose no problems for cities to maintain their gains in revenue generation. Of the four RAMP UP- East municipalities visited, for example, all have developed their business licensing systems and all are one-third to two-thirds of the way to completing installation of the *Safayi* fee systems. With continuing RAMP UP assistance in 2013 all the *Safayi* fee systems in the four RAMP UP- East municipalities visited are expected to be fully operational. RAMP UP training and mentoring of the current staff have equipped these professionals to a degree that should enable them to maintain revenue systems once they are fully established. In RAMP UP- North and RAMP UP- West cities have shown more reluctance to actively participate in revenue generation activities.

As noted earlier in the evaluation report, the *Tashkeel* reforms, which are expected to bring new blood into the municipal administrations, might also result in some of the key personnel trained by RAMP UP leaving their posts. To facilitate this transition and also ensure that RAMP UP reforms are institutionalized, the RAMP UP- East project has nearly completed development of Standard Operating Procedures (SOPs) for the four core municipal functions: municipal finance, public works, revenue generation and economic development that are to be used by all municipalities.

This series of “how to” manuals can serve as a reference for current staff or guides to the new systems for new hires. Three of the seven SOP manuals already developed deal with *Safayi* Tax Administration, Business Licensing and Fee Collection and Revenue Improvement Action Planning (RIAP).

The four RAMP UP- East municipalities have also included in their 1392 budgets funding for computer consumables, including special computer paper used in the business licensing process, and fuel for the RAMP UP generators that supply electricity to municipal offices.

The staffing and budget challenges of maintaining service delivery gains in RAMP UP municipalities pose a much greater challenge. All municipalities lack staff with the required technical knowledge and skills (engineering, architecture, hydrology, etc.) required to plan and implement many infrastructure and service delivery projects. The trash collection project initiated, funded, equipped and implemented by RAMP UP- North was completed and handed over to the municipality. While the knowledge and skills of these professional staff have increased significantly thanks to the training and mentoring (in GPS, Auto-Cad, etc.) of the RAMP UP- East project, it will be difficult for these technical enhancements to take hold, as the municipal staffs rely heavily on technical inputs from RAMP UP advisors. It remains to be seen how many of the new employees being hired through the *Tashkeel* reforms will have the requisite technical skills to close the gap that will be left with the departure of the RAMP UP advisors.

RAMP UP- South has put in place systematic processes and systems, including IFMS and solid waste management that are already anchored in the six municipalities. Upon completion of RAMP UP- South, it is expected that the income generated by municipalities through the support of economic development and revenue-generating activities will cover the cost of most solid waste management (SWM) expenses and the municipalities will be poised to assume ownership of the programs, which will require them to both maintain and expand services. A phased transition plan will ensure that each municipality has the financial mechanisms in place to pay vendors and solicit procurements before the transition is complete.

RAMP UP- South has already effectively transitioned an important service delivery function to the local municipality. In Kandahar, prior to the solid waste management transition, RAMP UP-South was supporting the municipality by providing 93 laborers, three supervisors, as well as the operation of all equipment. Since the transition of SWM activities to the municipality, management of 81 laborers, two supervisors, five crane trucks, ten caged dump trucks, and five dump trucks has transitioned to full municipal control. Management of the remaining 12 laborers and one supervisor under the SWM program is expected to transition to municipal control after final approval of the 1392 municipal budget. RAMP UP-South also supported the municipality in constructing a transitional waste accumulation site as part of the SWM system. The facility is being maintained by municipal staff from the Cleaning and Greening Department, who has been trained by RAMP UP-South in the operation and maintenance of the site. This will ensure the sustainability of the facility and that the local government remains the principal provider of solid waste management services.

Additional RAMP UP assistance is essential to continued improvement of municipal capacity and sustainability of services. Targeted assistance for big-ticket items like roads, water systems, electricity, and public markets are still essential, until municipal capacity and revenue generation capabilities are at the level to independently fund and sustain these essential services. Continued training and capacity building will be necessary to operate and maintain these infrastructure projects to ensure that municipalities have the full capacity to manage them independently.

7. CORRUPTION

SOW Question: Do municipal workers feel that corruption has reduced within the municipal government? Why or why not?

- Municipal workers did not tell the evaluation team that they believed that corruption had been reduced within the municipal government. Rather, municipal employees vacillated between claims that there never was corruption in the municipality to reports of top-to-bottom corruption.
- The RAMP UP projects were not expected to curb corruption in municipalities and thus only anti-corruption training was offered. The one performance indicator each

project reported against was the simple output of number of people trained in anti-corruption.

- The installation of automated tax billing/collection systems for business licenses and *Safayi* fees, the use of commercial banks in the collection process and computerized record keeping have led some people to believe that financial transactions with the municipality are more transparent.
- Some of the resistance to the RAMP UP reforms may have come from employees who were personally profiting from the lack of financial controls that went with the manual financial systems.

The evaluation team noted municipal employees denied the existence of any corruption, even before RAMP UP began. They attributed this to the strength of their financial systems, employee dedication, and the relatively narrow scope of their work. RAMP UP had automated business and property registration, there were open and participatory budget hearings involving municipal advisory boards in project selection, and conferences on corruption. Some communities disagreed with RAMP UP initiating advisory boards, but these were cited as important in eradicating corruption. It was interesting to note that these activities were underway even though municipality employees denied the existence of corruption.

8. YOUTH AND GENDER

SOW Question: Has employment of women in municipalities increased? Have municipal workers' attitudes changed towards the inclusion of women and youth in municipal activities and decision-making? According to beneficiaries of youth and gender sub-grants under RAMP UP, what were the impacts of RAMP UP-South sponsored activities? (Note: the intended method of answering this final question is to meet with one or two beneficiaries per municipality.)

- The RAMP UP requirement that women be a percentage (25%-30%) of project advisory boards has had excellent results, with women taking an active role in both deciding and monitoring project activities.
- While some municipalities have added a woman or two to their payroll, there is no evidence that this increased employment of women is due to anything that the RAMP UP projects did.
- Increased employment of women and youth was not a performance indicator in RAMP UP-West, nor were RAMP UP activities initiated to stimulate employment in that project.
- Given the lack of turnover of municipal staff, increased employment of women would not be a good indicator for a municipal improvement project. However, the adoption

of municipal reforms, notably the new *Tashkeel*, offers an extraordinary opportunity for hiring women.

- The lack of transportation and toilet facilities for women in nearly all of the municipalities visited is a barrier to the employment of women, and as an easily solved issue, an indicator of this issue being of little import to municipalities.
- While there is a stated 30% target for employment of women in the Afghan government, apart from application of the gender mainstreaming provisions of the National Action Plan for Women (NAPWA), there is no legal mandate, from the national, provincial or municipal level requiring the employment of women in municipalities.
- IDLG's requirement that women constitute 25% of the membership of each new MAB, along with the adoption of an anti-harassment strategy is encouraging.
- RAMP UP project sub-grants to local NGOs and contractors focused on training in computers, entrepreneurship and civics, and internships that benefitted only a handful of citizens and produced no systematic change.⁷
- Beneficiaries of youth and gender grants reported gaining new skills and knowledge, but the training infrequently lead to employment following their internships.
- Interviews with grant recipients revealed that this aspect of the RAMP UP projects produced few outcomes for the participants.

The issue of Gender and Youth are treated as cross-cutting issues in the RAMP UP project designs and are expected to contribute indirectly to the three Intermediate Results (IRs) or CLINS. According to their Performance Management Plans (PMP), the results frameworks (RF) of the RAMP UP - East and RAMP UP – South projects each contain three reporting indicators related to gender and youth, none of which are shown contributing directly to the three Intermediate Results (CLINs). The indicators are:

- R5 Number of interventions resulting in increased participation of women in government and civil society.
- R6 Number of interventions leading to increased employment and economic opportunities for women, as well as number of beneficiaries.
- R7 Number of youth support interventions resulting in increased participations of youth in the municipality affairs and community development.

⁷ Please note that due to budget cuts, there were no grants in RAMP UP- West. There were no grants in RAMP UP- South either, but the RAMP UP- South staff directly implemented activities that promoted gender and youth interests.

All the above are *output* indicators that simply count “interventions,” which are RAMP UP initiatives benefitting women and youth, including training programs (computers and entrepreneurship), fellowships, internships, city cleaning campaigns and children’s art programs. To report these results, RAMP UP- East, for example, simply tallied and reported the total number of interventions. Given the way the three reporting indicators were defined, it was not necessary to measure beyond the number of interventions.

The employment of women in municipalities has increased slightly with only a handful of women currently employed. Three women in Kandahar’s municipality are working as data entry clerks, one woman (the mayor’s secretary) is on the Ghazni municipal staff and another woman is a trailblazer for the women of Afghanistan’s western province of Farah. A manager in Farah’s department of municipal administration, she is one of the first woman to have a senior role in local government.

Determining changes in attitudes of municipal workers towards the inclusion of women and youth in municipal activities and decision-making is difficult because the evaluation team did not have access to the results of any baseline surveys of attitudes that might have been conducted in 2010. Without such a baseline, the evaluators had no basis for comparing opinions expressed during the interviews. There the team heard mayors and municipal staff paying lip service to the idea of women working in the municipality, but no indications that the municipality was making serious efforts to attract female workers.

Based on the limited availability of jobs for women in municipalities, news outlets, and private business, changing attitudes about women in the work place continues to be an uphill climb, especially in the small cities. And even in provincial municipalities, most do not have offices, lunch facilities, or bathroom facilities for women at City Hall. And even for well-trained skilled women, employment opportunities are limited because of traditional cultural norms.

Interviews with beneficiaries of youth and female sub-grants in Charikar revealed great satisfaction with the RAMP UP-East activities, although the impact on municipal development was difficult to discern. The Director of Parwan Way, a local youth NGO, was trained, along with 39 (20 males, 20 females) other youths in English and computers for 6 months. All those selected for the training reportedly had high school diplomas and most were either in university or working in organizations associated with the Parwan Youth Union. The NGO also benefitted from a RAMP UP grant of desks, chairs, and computers for the NGO’s youth center, which today provides Internet access, employment assistance and library services to more than 200 people.

The Director of the Women Vocational Training and Agriculture Services Organization, Nazifia Hofiani, is an enthusiastic beneficiary of RAMP UP sub-grants. She reported that she, and 14 other businesswomen, have been trained in marketing and are regular beneficiaries of gender sub-grants that support a women’s market in Charikar. Thanks to RAMP UP funding, she learned how to differentiate her product and how to package/seal them for food safety and product appeal. She and the same businesswomen also participate

every six months in an all-women's market thanks to small RAMP UP stipends that cover her exhibition booth, transportation, and security.

More than 150 women like Director Nazifia have participated in women's small business exhibitions held in five municipalities in eastern Afghanistan. These exhibitions were organized by the municipalities with the support of grants from the RAMP UP- West projects. A total of 420 women in 14 provincial capital cities were trained or are being trained in entrepreneurship, business planning, marketing and management. The culmination of these business trainings is an exhibition where the female entrepreneurs can apply their newly acquired skills in marketing and networking.

A third sub-grant program in Charikar trained six (three males, three females) in management and computers, after which they served as interns (\$100 per month) with UN Habitat. Today, the former interns are employed or are students: one is a district manager, two are teachers, and a third is a student. Two are unaccounted for.

The inclusion of women on Advisory Committees in RAMP UP has been an unexpected and critical success. In a number of small cities, women actively participate in the review, selection, and implementation of projects, and have grown in confidence and respect. Women we met with in joint meetings did not shy away from engaging their male colleagues, and strongly offered their opinions. Indeed, a highlight of the entire assessment may have been the two 20-something women in Kunduz who were bright, engaged, and passionate about the local government. Moreover, women at the Advisory Committee level are great advocates for new female staff to be hired, and many have reported mayoral commitments to hire women as a part of the reform progress.

RAMP UP- North has also pushed the issue, deciding at the end of 2012 to place a female citizen outreach officer with each project. The fact that these young women are the public face of many of the projects is important, and in many cities the first time a woman has been associated with local government. Indeed, the evaluation team was told by Advisory Committee women in one city that the presence of a woman working with RAMP UP had made them see that it was possible for a woman to work with the Municipality, and that they had made it a priority to have others hired.

While the RAMP UP program has promoted worthwhile interventions that benefitted women, the evaluation team did not detect movement in the direction of mainstreaming gender in any of the RAMP UP project areas and certainly not in the halls of GDMA. An indication of how much further there is to go on promoting gender equity was a comment by a senior GDMA official that the whole gender program was nothing but "blah-blah," and statements from the international advisor who had been embedded in GDMA for two years to the effect that most of the senior staff were resistant to her efforts to promote the advancement of women in the organization. However, the approximately twenty (mostly male) RAMP UP personnel who attended a Technical Working Group meeting in April 2013 to discuss public outreach, youth and gender issues appeared to be actively engaged in promoting gender equity and

demonstrated creativity in developing culturally-appropriate approaches to addressing this most challenging issue.

9. PUBLIC PRIVATE PARTNERSHIPS

SOW Question: Some RAMP UP programs did not meet the targets for the creation of public private partnerships. What factors prevented reaching these targets?

- There is no clear definition from USAID or the Afghan Government as to what constitutes a Public Private Partnership (PPP). There are wide differences between municipalities in their definition of what constitutes a Public Private Partnership and none of those provided were accurate.
- Several municipalities are doing things with the private sector that are being referred to as PPPs, but would be better referred to as “privatization” or “outsourcing.”
- Many Afghan municipalities are jumping headlong into a number of public and private partnerships about which they have little understanding.
- RAMP UP- West reports that they did not meet their targets due to the absence of a regulatory framework, but it was revealed that the real reason was that the municipality decided that they did not need help from RAMP UP- West.
- No RAMP UP will meet their PPP targets, though they will have made significant *privatization* achievements, which is notable. RAMP UP- West deleted PPP from their project in response to budget cuts.

The definition of ‘Public-Private-Partnership’ has blurred and morphed to the point in Afghanistan that there is no agreed upon definition. Thus, we offer the following:

*A Public-Private Partnership (PPP) is a contractual agreement between a public agency (federal, state or local) and a private sector entity. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public. In addition to the sharing of resources, each party shares in the risks and rewards potential in the delivery of the service and/or facility.*⁸

10. PERFORMANCE-BASED BUDGETING

SOW Question: Some RAMP UP programs did not meet the targets to implement performance-based budgeting systems? What factors prevented reaching these targets?

- Installation of performance-based budgeting is time consuming and sophisticated

⁸ The National Council for Public-Private Partnerships <http://ncppp.org/howpart/>

- Rather than leap ahead to performance-based budgeting, the RAMP UP embedded budget advisors chose in the first two years of project implementation to focus on seeing that basic automated budgeting was properly installed.
- In Mehterlam, and a handful of other municipalities the concept of performance-based budgeting was introduced on a trial basis for selected municipal functions like solid waste management and greening.

Installation of performance-based budgeting is time consuming and sophisticated, and does not align with the needs or capacity of Afghan communities. No projects successfully implemented Performance-Based Budgeting (PBB).

Rather than try to introduce PBB, the RAMP UP embedded budget advisors in the first two years of project implementation should continue to focus on seeing that basic budgeting was implemented.

In a handful of municipalities the *concept* of PBB was introduced on a trial basis for selected municipal functions like solid waste management and greening. There are only four expenditure lines in a Municipal budget: Salaries, Materials, Capital, and Loan Repayment. PBB requires much more disaggregated detail, and Afghan municipalities are far from being able to compile it.

The request of USAID for the RAMP UP program to implement PBB in Afghan cities failed to understand the complexities of PBB, the conditions in Afghan cities, or both. Not surprisingly, while some small pieces of PBB have been used, the effort has generally been eliminated from work plans or simply ignored. Afghan cities will not be ready for PBB for the foreseeable future, and it should not be a part of any future projects.

11. CITIZEN PERCEPTIONS

- When comparing results between municipalities, no clear patterns emerged from the CPS data.
- There are wide variances between Afghan municipalities in the amount and type of services they provide their residents with and without support from the RAMP UP projects. Citizen perceptions reported by the CPS reflect those variances.
- No evidence was found to indicate that the results of citizen perception surveys prompted any of the RAMP UP stakeholders to change any aspect of the projects.
- The CPS and similar citizen perception surveys conducted annually by RAMP UP-West and RAMP UP-East appear not to be useful or cost-effective ways to measure change brought about by RAMP UP interventions.

The complex issue of citizen perceptions was not part of this evaluation but was addressed under a separate Citizens' Perception Survey that USAID funded (see *Citizen Perception Survey for Three ODG Evaluations*, Final Report, USAID/Afghanistan, June 2013). Conducted more or less concurrently with the RAMP UP evaluation between February and May 2013, the Citizens' Perception Survey (CPS) was to provide USAID with the perspective of Afghan citizens regarding the performance and legitimacy of municipal governments. The survey goal was to assess the degree to which overall citizen perception has changed over the course of the RAMP UP projects with respect to the performance of municipal government.

The survey questions were generated from the same questions that had been used by RAMP UP-West in their 2011 baseline survey and 2011 follow up and by RAMP UP- East in their 2010 baseline survey and follow up surveys in 2011 and 2012. RAMP UP-South did not conduct formal citizen surveys, but opted instead to use focus groups to track changes in citizen perceptions. RAMP UP- North did not measure citizen perceptions.

Social Development and Legal Rights (SDLR), an Afghan organization, conducted the survey under a subcontract with USAID's SUPPORT II project. SDLR employed two managers, 13 field supervisors, 134 field surveyors and 18 encoders to conduct the survey and compile the raw data. Twelve municipalities (three from each RAMP UP region) were targeted. The sample sizes of each sample group were set at 90% confidence level with 5% margin of error, and the survey interviewed 2,936 urban residents in 12 municipalities.

The CPS posed 33 questions to citizens relating to how they perceived the roles and responsibilities of the municipal government and municipal service delivery. Respondents were asked to rate their trust and confidence in the municipal government and its performance improvement. In the area of municipal service delivery, the CPS inquired about trash disposal, street lighting, public toilets, drainage, roads, parks, and markets. In the second area of inquiry, the survey asked about the responsibilities of municipal government, municipal staff and services, public communication and participation in municipal governance, revenue generation, employment opportunities, corruption, trust and confidence in municipal government, and public priorities.

As noted earlier in the Methods and Limitations section of this report (p. 3), at the outset the evaluation and Citizen Perception Survey were to be conducted in the same municipalities. Unfortunately, security and logistical problems required that some of the original target municipalities be dropped and alternative municipalities chosen to replace them. As a result only seven of the 12 municipalities surveyed by the CPS were also part of the evaluation. This presents a challenge to the evaluation team to make use of the CPS results because six municipalities visited during the evaluation (Basarak, Charikar, Tirin Kot, Aybak, Sar-e-Pul and Sherberghan) were not included in the CPS and five municipalities included in the CPS (Sharana, Chakhcharan, Qala-e-Naw, Qalat, and Pul-e-Khumri) were not part of the evaluation. Consequently, the CPS report's narrative findings and conclusions by region (RAMP UP- East, RAMP UP-South, RAMP UP-North and RAMP UP-West) come with limitations when trying to integrate them with other evaluation findings.

The correlation between changes in citizen perceptions and RAMP UP activities remains unclear. In most municipalities citizens worked with local authorities to determine their own service delivery priorities; also the dramatic RAMP UP budget cuts to service delivery inevitably meant that other priorities were never addressed. A focus on solid waste management, for example, meant that there were inadequate RAMP UP funds to also address ditch cleaning, markets, etc.

It is worth noting, too, that improvements in citizen perceptions of municipal government are the high level goals of the RAMP UP Results Frameworks and, therefore, activities of the four RAMP UP projects are only expected to contribute to achievement of these goals. Other donor activities, notably those of the Afghanistan Subnational Governance Program (ASGP), presumably are also contributing to achievement of these high level goals.

Selected Highlights of the CPS Findings:

- More than half the residents (50%-59%) were satisfied with overall cleanliness of the municipalities (p. 18).
- In commenting on the adequacy of access to city public toilets, 54% of respondents rated it poor to fair, whereas only 2% rated access excellent (p. 20).
- Ditch cleaning services were rated as poor by 42% of residents in the South region and the corresponding figures for the West, East and North regions were 39%, 34% and 23% respectively (p. 21).
- More than three-fourths of residents in the West (79%) and East (78%) regions thought neighborhood roads were in poor to fair condition (p. 23).
- More than half the respondents gave poor to fair ratings for both the cleanliness of markets (24% rated it as poor and 36% as fair) and drainage from the market (27% poor and 33% fair) (p. 26).
- When asking residents how well the municipal government was providing services to the community in comparison to the last two years, the majority of respondents rated municipal services as very good or somewhat good. Very bad ratings covered not more than 18% of respondents across the four regions (p. 28).
- In the decision-making process, 21% of respondents thought they had “very little” influence on municipal decisions. The same percentage of respondents thought that they had no influence. 39% of respondents said they had ‘a little’ or ‘a lot’ of influence in the decision-making process of the municipal government (p. 30).
- In comparison among the three levels of government (municipal, provincial and national), the least people had trust in the municipal government in all the four regions (p. 37).

Municipalities Evaluated and Surveyed

PROJECT	MUNICIPALITIES EVALUATED	MUNICIPALITIES SURVEYED
RAMP UP East	Basarak	
	Charikar	
	Ghazni	Ghazni
	Mehterlam	Mehterlam
		Sharana
RAMP UP West	Herat	Herat
		Chakhcharan
		Qala-e-Naw
RAMP UP South	Kandahar	Kandahar
	Lashkar Gah	Lashkar Gah
	Tirin Kot	
		Qalat
RAMP UP North	Mazar-e-Sharif	Mazar-e-Sharif
	Kunduz	Kunduz
	Aybak	
	Sar-e-Pul	
	Sherberghan	
		Pul-e-Khumri

12. ENABLING ENVIRONMENT

Question: What factors in the enabling environment need to be considered in helping strengthen municipalities' performance?

- Efforts are underway to seek passage of a new Municipal Law that will replace the current Taliban-era law. The new law calls for elections for mayors and councils in accordance with the 2004 constitution. However, there are questions about the likelihood of the new law being passed intact (or at all) given the low level of political will among the current leadership to increase authority and autonomy at the subnational level.
- Although municipalities are independent financial entities, their budgets and *Tashkeels* must be approved by provincial and central government agencies (the Governor, Provincial Councils, Ministry of Finance, IARCSC, OAA and the

President), a lengthy process requiring signed original hard copies, which are difficult to deliver due to conditions in the country.

- The Minister of Finance (MOF) complained that municipal budgets have not been arriving at one time for review and processing: some arrive as late as the third quarter of the fiscal year.
- The Ministry of Finance is creating a separate unit for municipalities that is expected to expedite budget approvals, and says it is requiring IDLG to reform its systems and improve its performance in this area.
- There are informal decision-making processes at the provincial and central levels that interfere with municipal budgets and operations.
- The impacts on municipal operations of not having an approved budget are unclear; apparently, they can continue collecting and spending their own revenue without a current approved budget.

There are at least six factors in the municipalities' enabling environment or context that impact on their performance. These elements and related actors include:

1. Financial management issues, budget approvals etc. – MoF and IDLG
2. Personnel and staffing issues (*Tashkeel*) – IDLG, IARCSC and OAA
3. Legal, policy, and regulatory issues – MoJ, IARCSC and IDLG
4. Customary and informal power relationships and administrative practices
5. Political will – senior leadership elite
6. Other donors

a. Financial Management and Budget Issues

There are two distinct dimensions of the municipal financial management and budgeting system: internal revenue generation and accounting functions, and external budget approval processes. Although both have an impact on municipalities' operations, RAMP UP has worked mainly with the former.

To say the external dimension is complex and cumbersome would be an understatement. Even though municipalities generate their own revenue and receive no financial support from the government, their budgets (and *Tashkeels*- discussed below) must be approved by the government annually- a multiple-step time-consuming process involving the PGOs, Provincial Councils, IDLG, and ultimately the Ministry of Finance and the President. The approval process requires original stamped and signed hard copies of each of the some 160 municipalities' budgets to be processed by this complex system. Apparently, these budgets, once approved, can be arbitrarily changed in mid-stream by bodies that are not adequately informed of the impact of these changes on municipal operations.

RAMP UP- South has helped its six municipalities adopt a comprehensive and reportedly easy to use financial management system that IDLG has decided should be spread to municipalities across the country. This Integrated Financial Management System (IFMS) focuses mainly on internal municipality operations and was reported by RAMP UP- South and their COR to be working well, with sustainability issues apparently being addressed by the recent increase in capacity in IDLG's central IT unit. Elderly municipal staff in Lashkar Gah were observed entering data into the system with apparent ease, in part because the on-screen forms they were working with were essentially the same as the paper-based system they had been using for years. See Annex VI for a detailed description of IFMS and related information.

Officials in the Ministry of Finance were not aware of the municipal level IFMS until this evaluation brought it to their attention. Upon cursory analysis their view was that the system is too complicated for all but a few of the administratively more developed municipalities to use. Some members of the evaluation team had similar views, and expressed doubts about the availability of the supports required to set up and maintain the system. The evaluation team did not have the IT system analysis capability to determine whether these reservations were well founded.

It is the municipalities' linkages with the rest of the government's budgeting and financial management process that are problematic and hampering municipalities' performance. Although it would be relatively straightforward to prepare and submit budgets in a basic format (Excel), as noted above, current procedures require original hard copies to be presented for approval. Given the difficulties with mail services and other challenges in the country, this slows the process considerably.

The MOF expressed considerable frustration with municipal budget issues. They said municipalities did not submit their budgets on time, with some arriving as late as the third quarter of the fiscal year, a problem they said IDLG should have dealt with some time ago. They also complained about the financial management processes in IDLG, which apparently had four separate groups of finance officers: GDMA's finance unit, the Afghanistan Stabilization Program (ASP), Strengthening Provincial Administration and Delivery (SPAD)-the successor to the DDP program, and IDLG's main finance unit. Each had apparently been submitting separate budgets to MOF for approval.

Measures were reportedly being taken by MOF to compel IDLG to rationalize their financial management operations within a single unit - their main finance unit - and they have threatened to not accept any budget submissions from IDLG until this has been done. Although these measures had been introduced during the time the evaluation was underway, there were no indications the MOF's guidance was about to be rapidly implemented in IDLG.

The key actors in this matter are the municipalities, Ministry of Finance, and IDLG, which manage municipalities as well as the PGOs and PCs which are involved in the complex multi-stage budget approval process that contributes to problems in this area. Selected documents related to this part of the municipalities' operating context are in Annex VI.

Personnel and Staffing Issues

Most municipal employees are on the national government's *Tashkeel* (staffing chart) even though their salaries are paid from municipal revenues. The HR unit of IDLG, the civil service commission (IARCSC) and the Office of Administrative Affairs (OAA), the President's Office, as well as the PGOs and PCs exercise considerable control over recruitment and other personnel issues. While some of this involvement is designed to ensure merit-based recruitment, there are indications the system is abused and it takes an inordinate amount of time (as long as five months) to complete even relatively junior level staffing actions.

Staffing processes are complex and slow: a recent review by the Ministry of Finance indicated it required 54 signatures to hire a school teacher in a district. Each of the approximately 160 municipalities' annual budget submissions must be accompanied by their *Tashkeel*, which must be signed by the President before it is approved.

A major problem attracting competent staff is the low pay levels in much of the government's system. The introduction of Pay and Grading (P&G) reforms in eleven major municipalities is improving matters, but there are reports of major problems in the system. For example, mayors and others report an inability to ensure the most qualified staff are selected, which hampers their operations. These problems persist even though the HR unit at IDLG reported their recruitment system rigorously follows procedures designed to ensure merit-based appointments.

The key actors in this matter are the municipalities, IDLG's HR unit, IARCSC, OAA, the Office of the President, as well as the PGOs and PCs. Their roles are confusing, overlap, distort and prolong municipalities' staffing process.

Legal, Policy, and Regulatory Issues

The draft new Municipalities Law and accompanying regulations are an effort to lend order and increase democratic participation in municipal governance. Although GDMA officials expressed optimism about the early enactment and implementation of the law, previous experience indicates that the Executive is reluctant to introduce measures that diminish the center's ability to control the periphery. In addition, full implementation of the law's electoral provisions requires accurate city maps and a census before the Independent Electoral Commission (IEC) can conduct an election. There are concerns that those with the power to move this work forward will drag their feet to maintain the current ill-defined system that well suits their interests. This is consistent with past practice, which has seen well-crafted laws and regulations distorted or ignored by those with influence. It is one thing to have a law on the books, and quite another to see it enforced and in use.

The existing policy, legislative and regulatory framework for municipal operations was described as an uncoordinated patchwork of laws reaching back almost a century, from which influential actors could draw whatever they wished to legitimize their particular interests. A

major review of this body of legislation has not been undertaken mainly due to a shortage of skilled legal specialists, lack of funds, and low levels of political will.

Key actors in this situation are the Ministry of Justice (MoJ), IARCSC and IDLG. There are indications that even though MoJ should be able to take the lead on this, the ministry lacks the capacity and the motivation to do the work.

Customary and Informal Power Relationships and Administrative Practices

Due to the lack of clearly defined and implemented laws and regulations that would be supported with acceptable standard operating procedures, a variety of informal power relationships and administrative practices have become embedded in the decision-making processes that influence municipalities' operations. Some of these informal control mechanisms are based on mutual obligations arising from patronage appointments, others are due to the involvement of powerful actors who exert influence in the region, and yet others are linked to customary decision-making processes in various parts of the country. Many of these are well established, and even though they are not supported by any laws they may be difficult to change.

GDMA's plans to strengthen the formal subnational legal frameworks and administrative practices, coupled with the elections that are called for in the new municipal law, may in some measure limit the impact of these informal influences on municipal governance

Political Will: Senior Leadership Elite

Senior Afghan officials have reported there is little political will at the upper levels of the system to strengthen subnational governance. However, any governance reform process requires consistent high-level support from the country's formal and informal elite if it is to succeed, particularly when any redistribution of power is involved.

The country's formal and informal ruling elite (which is said to number about 50 influential individuals) and the government seem to have been reluctant to distribute power and authority toward the periphery. This may be out of fear of losing control, rather than realizing that strengthening subnational institutions in an orderly manner would increase the population's perception of the legitimacy of the state and improve security and stability.⁹ This change in priorities is likely to be difficult given the origins of much of the current system, which has been influenced by its centralized and control-oriented Soviet administrative past and other factors. Shifting to a more distributed, responsive, and service-oriented mode of operation is likely to be a challenge.

⁹ This data was received from numerous sources including a former senior minister, so it is an important finding that has been left in the evaluation report. It is a fact of life in Afghan governance, regardless of what donors might wish was otherwise.

This problem has been seen in other countries that have shifted from centralized control to more distributed governance systems. In those countries, the sources of resistance among the leadership elite were analyzed, and lessons learned from transitions in other countries were shared with key members of this group to encourage them to support reforms such as introducing measures to strengthen municipal and other subnational governance institutions.

Other Donors

USAID's four RAMP UP projects are not the only donor-supported initiatives attempting to strengthen municipal and subnational governance. Another major actor is the Afghanistan Subnational Governance Project (ASGP) supported by UNDP. There are also initiatives supported by Britain's DFID, the German GIZ agency, and others, many of which focus on provincial and district institutions. The municipal level activities of the ASGP project were most relevant for this evaluation, as their advisors often worked in the same offices as RAMP UP personnel.

Afghanistan Subnational Governance Program (ASGP)

The ASGP project is a three year, \$179 million initiative of the United Nations Development Program (UNDP) to strengthen subnational governance in Afghanistan that began in 2010. Funding is provided by Australia, the European Union, Great Britain, Italy and Japan. Its core objectives include "strengthening the democratic state and government institutions' capacity to govern, and ensuring quality public service delivery at the subnational level through advocacy, policy advice and capacity development."

Working through five field offices (Kabul, Bamyan, Kandahar, Herat, Uruzgan, and Badakhshan), ASGP provides some 230 capacity development staff across Afghanistan's 34 provinces, particularly provincial and district governors and two-dozen municipalities. The project also supports some 180 staff in the Independent Directorate of Local Governance (IDLG). The Directorate provides policy and political network between the central government and its subnational entities. UNDP sees the ASGP as a direct and vital link for the 2014 transition because "a stronger emphasis at the provincial level would help balance a capital-centralized development model."

One of the four outputs planned under ASGP's overall objective of subnational governance and development is "Democratically elected municipal administrations collecting revenues and delivering basic services under an improved organizational framework by 2014. Throughout 2011, ASGP focused on assistance to 12 municipalities: Herat, Mazar, Kunduz, Jalalabad and Kandahar, and the transition areas of Bamyan, Mehtarlam, Panjshir, Lashkar Gah, Sherberghan, Farah, and Maimana.

In fact, only eight municipalities were added in the last quarter of 2012, including Qala-e-naw, Chakhcharan, Charikar, Nili, Faizabad, Taloqan, Saripul, and Aybak. In addition, in 2013 and as a result of greater donor support to ASGP's municipal program, ASGP is

providing additional support to 15 provincial and 13 District municipalities. The support to district municipalities is very modest-only just \$10,000 each to 13 district municipalities.

While the four RAMP UP projects tried to work collaboratively with ASGP and other donors, RAMP UP-South made a concerted effort to coordinate and gain buy-in among all stakeholders. Expatriate senior program advisors were placed in strategic locations in the south on FOBs and PRTs to allow for greater flexibility to liaise directly with municipal officials, and other implementing partners and stakeholders (including the military, USAID, and State Department On-Site Monitors). This donor collaboration led to AusAid providing \$2 million in funding to RAMP UP-South activities in Tirin Kot, which allowed the project to fund essential solid waste management and service delivery activities for the municipality.

In addition, the RAMP UP- South local staff, especially the municipal program coordinators (MPCs) based in these six cities, have worked in conjunction with the mayors and other municipal officials to develop government capacity consistent with the policies, direction, and leadership of IDLG (Independent Directorate of Local Governance). At the national level through monthly Technical Working Groups (TWG) meetings, RAMP UP-South coordinates with the other RAMP UPs, relevant donors, and IDLG/GDMA on best practices, approaches, and models. Through these meetings, RAMP UP-South has provided information to GDMA and the other RAMP UPs on its key anchor projects of IFMS, SWM, and public private partnerships (PPPs) models, ensuring coordination and consistency of these systems throughout all Afghan municipalities.

IV. CONCLUSIONS

The problems of Afghan cities are numerous and daunting. Many administrators, who have served 20 years or more in the municipality, have little motivation or knowledge of the ways of a functioning bureaucracy. They arrive at around 7:00 am at a municipal building that often-times has no electricity, sit idly chatting and drinking tea with individuals who drop into their office as if it were a corner barbershop in a US neighborhood, and go home for the day around noon. Most cities have few resources, and employees typically receive less than \$100 per month for their work. Citizens expect little, and receive it. Meanwhile corruptions, ranging from kickbacks on large contracts to the obligatory ‘fee’ that typically must be paid any time a signature or action is required from the government, is pervasive.

Yet, this review of the RAMP UP program and the cities served has shown that progress, incremental and slow, is being made, and that Afghan municipalities offer the best hope for democracy to take hold in this diverse and sprawling country. Critically, Afghan municipalities are the only subnational government entities to collect and keep local revenues, and many have moved aggressively to apply this authority. Municipalities operate in a system that, for all of its problems, provides them revenue collection latitude far greater than their counterparts in other developing countries, and provides the country a path to the establishment of a strong system of local self-governance.

RAMP UP has done much to light the way forward. Downtown redevelopment, parks, latrines, sidewalks and bus stations that would not have been possible now serve Afghans, providing an example of what is possible. Budget systems and revenue collection strategies are being developed to support those efforts, ensuring their sustainability.

Most importantly, RAMP UP has opened the door to citizens all over Afghanistan- including women- to engage their local governments, and those citizens have become active collaborators in the fledgling system of local governance. The evaluation team was heartened to see also that local mayors are near universal in their acceptance of the role of Citizens Advisory Boards, rightfully seeing them as both bringing needed perspective to decision-making, while also being able to communicate the goals and challenges of the city to their fellow citizens. This has allowed these cities to begin to respond to the needs of citizens, creating a linkage between the services received and taxes paid that is unique in Afghanistan. Most importantly, it is creating a momentum for local elections, for both citizens and mayors have been exposed to a system of community governance that they are anxious to expand and solidify through the election of their local government officials.

The team has found that much work remains to be done before most cities will be able to stand alone, providing the services needed by local citizens. While this evaluation is frank and sometimes critical, the difficult environment in which these projects were implemented must be noted, for they faced a strong headwind that often impeded progress.

It must be emphasized that RAMP UP was the beginning, not the end, of the assistance required by Afghan municipalities, and its purpose was to begin to build a solid foundation. There are hopeful signs on the horizon: reform should bring a new and more educated workforce that can provide much better services while at the same time be reasonably compensated. Local elections, once held, will energize local communities and empower mayors and (hopefully) councils. Moreover, for the first time, local elected officials will be fully accountable to citizens, held to account for their accomplishments and shortcomings, including corruption.

V. RECOMMENDATIONS

The following recommendations are grouped for convenience, but are not necessarily presented in order of priority within each group.

1. CURRENT AND FUTURE MUNICIPAL PROJECT DESIGN

- Expand the project focus to include the vertical dimension of systems effecting municipalities' performance. This includes improving the operations of the Ministry of Finance, IARCSC, the Ministry of Justice and others that effect municipalities.
- Introduce a bottom-up governance strengthening program that focuses on the *Gozar* (neighborhood) level: establish Community Development Committees (CDCs) that

will promote poverty reduction, security and citizen engagement with the municipal administration.

- While emphasizing assistance to provincial capitals, make future participation merit-based, with municipalities (including those beyond provincial capitals) required to meet conditions for assistance.
- Focus on relatively few key aspects of municipal operations – such as governance, budgeting and revenue generation – rather than attempting to support the full range of municipal activity.
- Support the IDLG/GDMA to implement the provisions of the new Municipality Law (which includes elections) and to further clarify their legislative, regulatory and capacity development roles that will benefit municipalities.
- Analyze each municipality to determine their current core competencies and identify capacity gaps to be closed by March 2014 with additional RAMP UP assistance, so that each municipality has the organizational and human capacity to directly manage donor-funded contracts.
- RAMP UP projects and the GDMA should come together to develop and employ a scorecard system (underway in RAMP UP- West) that would apply to one another's projects, so that a benchmark may be created that will guide future capacity building.
- Further the USAID strategic principle of *demand driven* assistance by requiring municipalities to apply for small projects including public works (\$100,00 - \$250,000) that include gender quotas, cost sharing, electronic budget submissions, mandatory citizen consultations and other conditionality.
- Future USAID assistance to municipalities should include enough flexibility for the implementing partner(s) to assist other municipalities (e.g. district municipalities) who spontaneously request help to reform their operations.

2. CAPACITY BUILDING

- Incentivize and reward municipal capacity improvements by making such improvements part of the conditionality for future USAID funds.
- Encourage collaboration and sharing of best practices among municipalities and support initiatives that come from exchange visits, conferences, etc.
- Increase the capacity of mayors by providing them with classroom training, conferences, coaching and other assistance to build their governance and management knowledge and skills. While imperfect, classroom training and conferences offer an

opportunity to bring people together to learn and exchange ideas, and provides an opportunity for officials to hear from experienced professionals that can be complementary to a city-by-city mentorship program.

- Facilitate an IDLG and RAMP UP partner assessment to identify training programs that do not meet IDLG needs and decide what classroom training will be continued and by whom (IDLG or RAMP UP partners).
- RAMP UP implementing partners should assess the nature, quality and impact of the training and other capacity development opportunities they have provided to their own staff and begin tracking the impact of future project staff training.

3. SYSTEMS

- Encourage GIRoA to move from its current paper-based municipal budget approval system to a standardized Excel-based system.
- Strengthen IDLG/GDMA's ability to receive and submit all municipality budgets to the Ministry of Finance at once and on time in the last quarter of the previous fiscal year.
- Carry out a Business Process Simplification (BPS) process on the municipal budget and staffing process that would eliminate multiple redundant steps and streamline the decision-making and approval processes.
- Focus accounting reforms on double-entry bookkeeping, daily expenditure/revenue tracking and be prepared to respond to growing demand for automation by municipalities.
- Assess the supports required to implement IDLG's decision to introduce IFMS to municipalities, and determine whether IDLG's IT unit has (or can acquire) the capacity to support this system. If IDLG has the potential to provide the service, institute measures accordingly. If it is not likely to acquire that capacity, determine whether a private sector IT service can provide the needed support.
- If supporting IFMS is beyond IDLG's capacity (or that of potential private sector IT service providers), discontinue efforts to help municipalities adopt the system, and focus instead on easy to learn, maintain and sustain stand-alone automated systems using EXCEL, so that those systems are firmly anchored in the business processes of municipalities.
- If larger, more affluent cities (Mazar, Herat, etc.) have already well-anchored automated systems, USAID should remain open to helping them move up to a more

complex automated system such as IFMS if the municipalities and IDLG have the capacity to do so.

- Conduct an in-depth review of the progress that has been made by the RAMP UP projects and insure that there is consistency in the reforms in municipal accounting, budgeting, automation, etc.
- Expand the scope of RAMP UP assistance for municipalities to include developing their capacity to independently manage their procurements, including adopting policies, and following GIROA procedures and best practices that meet recognized international (World Bank) procurement standards.
- Consider developing an Internet-based Automated Directive System of IDLG/MoF/IARCSC/Provincial Council/Provincial Governors' policies, regulations, procedures, and forms needed by municipalities to carry on their day-to-day business.
- Help municipalities to adopt consistent budget preparation formats and submission schedules – and to submit budgets electronically.

4. REVENUE GENERATION

- Work with municipalities to develop other revenue sources in addition to business licenses and *Safayi* fees, especially increasing taxes on activities and transactions (customs, licenses) that are easier to collect.
- Analyze Afghan traditional and cultural factors underpinning the *Safayi* tax to determine if the process can be simplified without violating long-standing norms and practices. If appropriate, work with the central government to revise and simplify the current cumbersome and complicated formula that includes location, materials, and size in cubic meters that is used in computing property values for *Safayi* fees.

5. SUSTAINABILITY

- Do Business Process Simplification (BPS) to strengthen and streamline IDLG/MOF/PGO/Municipality personnel and the municipal budget approval and execution procedures.
- As an incentive for positive change, have IDLG agree to prioritize electronically submitted budgets for the 1393 FY for approval. For 1394 all Category 1 and 2 municipalities must submit all budgets electronically.
- Expand on-the-job RAMP UP training to more municipal officials so that critical sections such as revenue generation and budgeting have enough trained people who can take over when incumbents move on.

6. CORRUPTION

- Continue improving municipal procedures and business processes such as automation that reduce opportunities for fraud and result in transactional transparency.
- Expand and increase the frequency of consultations with citizens and public dissemination of municipal decisions and financial information, Citizen Forum decisions, and other practices that promote openness.

7. YOUTH AND GENDER

- Help implement a GIRoA policy of mainstreaming gender and youth across all government institutions by encouraging IDLG to mandate gender quotas in municipal employment and membership in Citizen Forums.
- Include gender quotas as part of the conditionality for future USAID assistance to municipalities.
- Mainstream and subsidize with project funds youth and gender fellowships/ internships within municipalities where RAMP UP training grants are offered.

8. PUBLIC PRIVATE PARTNERSHIPS

- Discontinue efforts to encourage public-private partnerships that require both sides to make financial contributions. The PPP concept is not well understood by most municipal officials, mayors or the public.
- When appropriate, support outsourcing and privatization of a wide range of municipal services such as solid waste management, revenue collection, etc.

9. PERFORMANCE-BASED BUDGETING

- Discontinue efforts to encourage municipalities to adopt performance-based budgeting, which is too sophisticated and not needed at this point in the development of Afghan municipalities.

10. CITIZEN ENGAGEMENT

- Give greater USAID attention and resources to promote and support citizen outreach and engagement, which has already been greatly improved in most municipalities assisted by RAMP UP.
- Encourage and fund a new USAID/RAMP UP initiative to support the IDLG reform agenda, in particular their efforts to develop Municipal Advisory Boards so they include marginalized populations (youth, women, ethnic groups).

- Initiate a new package of assistance in support of Citizen Forums and Municipal Advisory Boards, including basic civics training, helping them define their roles and develop budget review skills, plus how to use best practices in overseeing municipal procurement functions.
- Explore new avenues of assistance to civil society that will increase opportunities for citizens to express their opinions in Citizen Forums, town hall meetings, etc.

11. ENABLING ENVIRONMENT

- Support the passage and implementation of the new Municipality Law.
- Include a policy reform component to RAMP UP that would include embedded advisors to work with GDMA and IDLG on implementing the policy reform agenda outlined in this evaluation.
- Strengthen IDLG's legal services unit and provide assistance to draft and seek passage of needed policies, laws and procedures that streamline financial and staffing procedures.
- Work with IDLG and other ministries to identify and eliminate informal controls and approval processes effecting financial, staffing and programming activities in municipalities.
- Train IDLG's capacity development staff to plan and carry out a focused Business Process Simplification (BPS) process throughout the subnational governance system.
- Coordinate with ASGP and other donor projects to define clear lines of activity and authority.
- Collaborate with other funders (such as ASGP) to obtain a clear commitment from IDLG that acknowledges that future assistance is conditional on establishing legitimate and effective citizen control and representation in municipal governance.
- Implement bottom-up governance initiatives that focus on strengthening citizen engagement and control at the *Gozar* (neighborhood) level, and ultimately at the municipality level. Identify and learn from municipalities (such as Ghazni) where such efforts appear to have been successful.
- Work with GDMA to create an internal training unit within the agency. Have GDMA training staff embed with future local governance training efforts to ensure that training is fully captured, and ultimately delivered by GDMA.

ANNEX I: SCOPE OF WORK

OFFICE DEMOCRACY AND GOVERNANCE (ODG) /

OFFICE OF PROGRAM AND PROJECT DEVELOPMENT (OPPD)

STATEMENT OF WORK: PERFORMANCE EVALUATION

SUPPORT TO REGIONAL AFGHAN MUNICIPALITIES PROGRAM FOR URBAN POPULATIONS (RAMP UP-SOUTH, EAST, NORTH AND WEST), CONTRACTS NOS.: 306-C-00-10-00527-00, 306-C-00-10-00526-00, 306-C-00-10-510-00, AND 306-C-00-10-501-00

I. INTRODUCTION

SUPPORT TO REGIONAL AFGHAN MUNICIPALITIES

Building on successes achieved in earlier projects, USAID awarded four contracts to implement the Regional Afghan Municipalities Program for Urban Populations (RAMP UP) in the South, East, North and West regions. The contracts are being implemented by DAI (East, West and North) and Chemonics (South).

Contract	Dates	Value
RAMP UP- East: 306-C-00-10-00526-00	June 10, 2010 – Dec 9, 2013	\$95,000,000
RAMP UP- North: 306-C-00-11-00510-00	Feb 8, 2011 – Dec 9, 2013	\$40,000,000
RAMP UP- West: 306-C-00-11-00501-00	Nov 14, 2010 – Dec 9, 2013	\$35,000,000
RAMP UP- South: 306-C-00-10-00527-00	June 10, 2010 – Dec 9, 2013	\$100,000,000

RAMP UP's overall goal is to create effective, responsive, democratic, transparent, and accountable municipal governance in the provinces where the program is working. The RAMP UP program intends to: (1) increase the capacity of the Government of the Islamic Republic of Afghanistan (GIROA) municipal officials, (2) markedly improve the delivery of municipal services to citizens in target municipalities, and (3) increase municipal capacity to enable, support, and sustain economic growth. The RAMP UP program's development hypothesis is that, as a result of achieving these three objectives, Afghan citizens will see local governance structures as legitimate. The perception of legitimacy is tied to receiving better services, understanding the responsibilities of municipal leaders, and playing an active role in municipal decision making. Delivery of essential services to citizens and businesses will foster a stronger revenue base more likely to comply with taxation requirements,

generating greater revenues that enable a government to progressively expand and improve services.

USAID's evaluation policy encourages independent external evaluation to both increase accountability and inform those who develop programs and strategies to refine designs and introduce improvements into future efforts. In keeping with that aim, this evaluation is being conducted to review and evaluate the performance of USAID-funded RAMP UP program activities implemented by Chemonics and DAI in the four regions. The evaluation will focus on assessing the effectiveness of the program's performance and providing lessons learned that will inform the design of future municipal programming.

II. BACKGROUND CONTEXT

Since the fall of the Taliban, Afghanistan has been working with the international community to rebuild governance structures and improve infrastructure throughout the country. Buoyed by their commitments under the Afghanistan Compact (AC) and encouraged by the prospect of a comprehensive, citizen-centered and forward-looking development agenda under the Afghanistan National Development Strategy (ANDS), the GIRoA continues to seek out ways to improve the quality of life for Afghan citizens. The overall governance structure remains highly centralized and subnational governance institutions, particularly at the municipal level, lack clarity on their roles and functions and are often non-responsive to community needs.

While estimates may vary, it is clear that the trend towards rapidly growing urban population will exacerbate the current lack of basic municipal services. Afghanistan's ability to provide effective and transparent governance, responsive service delivery, increased citizen participation and targeted local economic development has the potential to improve security as well as the overall quality of life for citizens. Urban areas and municipalities have a great potential to serve as economic engines for the country and, therefore, warrant considerable attention. As such, the RAMP UP programs intends to address these challenges and issues.

The RAMP UP programs has helped mayors, municipal staff, and citizen groups in each municipality where they work. To implement program activities, implementing partners (IPs) draw on their relationships with mayors, local and international nongovernmental organizations (NGOs) and Provincial Reconstruction Teams (PRTs) to mobilize their national staff and a pool of national capacity development specialists in the municipalities where they work. The IPs' national staff serves as "embeds" at the municipality, providing on-the-job training to municipal employees.

RAMP UP Implementing Principles in general are:

- **Afghan Ownership:** RAMP UP will be seen as an extension of GIRoA, not as an increased foreign presence, and must work within Afghan structures.
- **Afghan First:** RAMP UP will work using Afghan regulations and systems and ensure the project is using existing Afghan resources and assets to perform the stated objectives.

- Demand Driven: RAMP UP assistance will be deployed at the Kabul and subnational levels in accordance with the needs of the Independent Directorate for Local Governance (IDLG) and the municipalities in which the RAMP UP program operates.
- Long-term Capacity of GIRoA: RAMP UP will focus on institutional development of municipalities in the long term while helping the municipalities deliver specific outcomes in the short term.
- GIRoA Empowerment: RAMP UP will report to both GIRoA and USAID on the impact of its work. All reports submitted to USAID will be shared with IDLG; GIRoA institutions will be the lead voice to guide programmatic activities.
- Learning by Doing: The best approach to capacity building of municipal officials, managers, and technicians is integrated training and on-the-job mentoring that provides the required follow-up support needed to avoid training disconnects. RAMP UP will leverage classroom training with day-to-day, on-the-ground assistance to municipal staff to help solve real problems in the communities.

III. RAMP UP PROGRAM GOALS AND OBJECTIVES

RAMP UP is structured into three distinct components, each labeled as a distinct Contract Line Item Number (CLIN) and tied to a specific goal. More precisely:

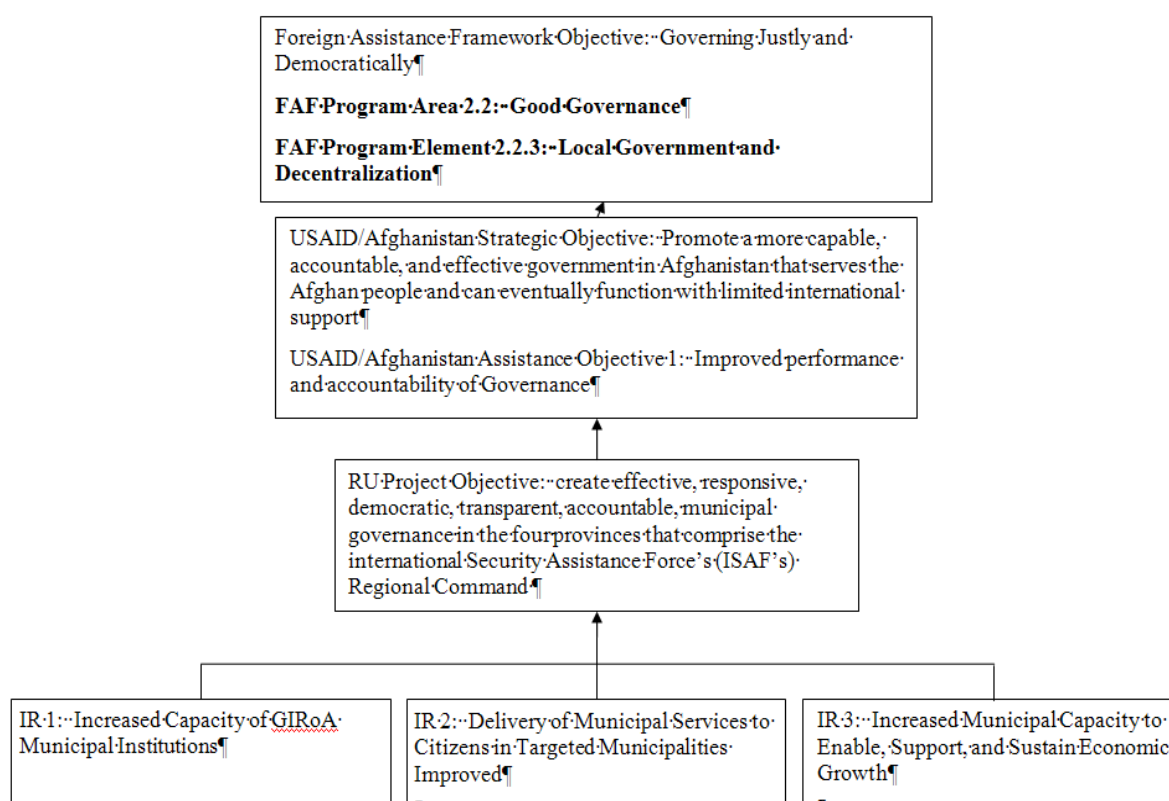
CLIN 1 ~ Capacity Building of GIRoA officials at the municipal level: All activities under CLIN 1 will directly contribute to enhancing the capacity of municipal officials, managers and technicians to perform their core municipal management responsibilities. Based on an empirical understanding of the skills, capabilities, and knowledge of municipal staff, RAMP UP provides a combination of on-the-job mentorship, training, and advice to enable more visible, responsive, and accountable governance at the municipal level.

CLIN 2 ~ Support GIRoA to provide responsive, effective, and visible municipal service delivery programs: Activities carried out under CLIN 2 support municipalities in delivering visible, tangible, and desirable services to citizens in the form of municipal infrastructure and service delivery projects (Municipal Projects). These projects simultaneously serve two purposes: (1) municipal projects provide citizens with marked improvements in daily life, helping them gain satisfaction with and confidence in their municipal government; and (2) in executing projects hand-in-hand with municipal officials. RAMP UP builds capacity with a clear learning-by-doing approach, solidifying GIRoA's capacity to sustainably deliver services to citizens in the long term.

CLIN 3 ~ Support GIRoA to improve economic development and revenue generation at the municipal level: Activities implemented under this CLIN directly support the growth of local economic development and strengthening of revenue generation, and thereby the municipality's ability to finance its service offerings and operating costs. As RAMP UP's activities under CLINs 1 and 2 strengthen municipal capacity and service delivery, activities

under CLIN 3 use the capacity, service improvements, and infrastructure to facilitate business growth and job creation.

RAMP UP PROGRAM RESULTS FRAMEWORK



IV. PURPOSE OF THE EVALUATION

The purpose of this evaluation is to study and document the successes and weaknesses of the RAMP UP project, and to develop recommendations to promote the effectiveness of municipalities in democratic governance at the subnational level. The evaluation will cover the full length of the program to date.

USAID/Afghanistan's Office of Democracy and Governance will use the evaluation conclusions and recommendations to inform the design of the new municipal governance program, which will take place in spring 2013. Shared lessons will also benefit the larger USAID/Afghanistan mission, other donors working at the municipal level, and importantly, the General Directorate for Municipal Affairs (GDMA), mayors, municipal staff, and other GIRoA stakeholders who aim to improve municipal governance.

This evaluation should:

1. Evaluate the design, approach, implementation, and effectiveness of USAID's support for municipal capacity building, service delivery improvement and income/revenue generation through RAMP UP; the discussion should include the project's effectiveness in achieving the expected results; identification of strengths and

weaknesses; and an assessment of the sustainability of individual projects after the projects end.

2. Distill lessons learned on program design and implementation to guide the design of future municipal programming.
3. Identify any corrective actions necessary to guide RAMP UP activities over the final year of the performance period.
4. Specifically examine each Programs' interventions, such as the scope, level and effectiveness of RAMP UP activities in the following areas:
 - a. Training (both on-the-job training and classroom training)
 - b. Overall capacity building of municipalities
 - c. Improved service delivery
 - d. Citizen involvement in municipal governance
 - e. Economic development and revenue generation

V. EVALUATION QUESTIONS

The questions to answer, in order of priority, are as follows:

1. **Capacity Building:** Are the trainees currently using the new skills/knowledge they gained from the RAMP UP training? If so, which skills? What is the trainees' perception on the value and quality of the training they received?
2. **Systems:** What changes have taken place regarding the functionality of municipal accounting systems—specifically the processes for budget approval, formulation, and execution? What are the municipal officials/staff perceptions of the advantages/disadvantages of the new accounting/budgeting systems and processes? How will they continue/sustain these after RAMP UP assistance is over?
3. **Revenue Generation:** There were strong variances in the municipalities' ability to increase revenue. What were the characteristics of those high revenue and low revenue municipalities?
4. **Sustainability:** Given current staffing levels and budgets, how do municipalities plan to sustain the gains made in revenue generation and service delivery in the absence of donor assistance?
5. **Corruption:** Do municipal workers feel that corruption has reduced within the municipal government? Why or why not?

6. **Youth and Gender:** Has employment of women in municipalities increased? Have municipal workers' attitudes changed towards the inclusion of women and youth in municipal activities and decision-making? According to beneficiaries of youth and gender sub-grants under RAMP UP, what were the impacts of RAMP UP- South sponsored activities? (Note: the intended method of answering this final question is to meet with one or two beneficiaries per municipality)
7. **Public Private Partnerships:** Some RAMP UP programs did not meet the targets for the creation of public private partnerships. What factors prevented reaching these targets?
8. **Performance-Based Budgeting:** Some RAMP UP programs did not meet the targets to implement performance-based budgeting systems? What factors prevented reaching these targets?
9. **Citizen Perceptions:** Questions will be answered under a separate Citizen Perceptions SOW.

VI. METHODOLOGY

The evaluation team will be responsible for developing an evaluation strategy and methodologies that include a mix of qualitative and quantitative data collection and analysis approaches. The methodology will be presented as part of the draft work plan as outlined in the deliverables below and included in the final report. The evaluation team will have available for their analysis a variety of program implementation documents, and reports. Methodology strengths and weaknesses should be identified as well as measures taken to address those weaknesses. All data collected and presented in the evaluation report must be disaggregated by gender and geography.

The suggested methodology should include, but is not limited to:

- a) Key interviews with USAID/Afghanistan's ODG Staff, and field-based USG staff at Regional Platforms or Provincial Reconstruction Teams (PRTs);
- b) Interviews with mayors and Municipal Officials;
- c) Interviews with key IDLG staff;
- d) Interviews with implementing partner staff in Kabul and field staff located in the various municipalities;
- e) Interviews and focus groups with selected constituents;
- f) Consultations with other donors, and
- g) Conduct surveys of beneficiaries in targeted areas to determine perceptions of corruption, service delivery quality, and citizen involvement in municipal affairs.

At least four municipalities from each region (North, South, East, West) will be included in the methodology (a total of at least 16). This will entail the four municipalities under RAMP UP- West (Herat, Chakhcharan, Qala-e-Naw, and Farah) and at least four municipalities under the other three programs. The evaluator will devise and present to USAID a methodology for selecting the other municipalities, allowing for a cross-section of municipalities that:

- includes municipalities where security is relatively fragile and those where security is relatively good
- includes high population municipalities with a vibrant economy and healthy tax base as well as those with low populations and subsequently low tax revenue
- includes municipalities where RAMP UP is perceived by USAID to be successful due to a committed mayor and municipal staff as well as those where political will has not been optimal and the program has limitations as a result.

VII. EXISTING PERFORMANCE INFORMATION SOURCES

The consultants will review the following documents:

- a) Program Descriptions and Modifications
- b) Work Plan
- c) Quarterly Reports
- d) Annual Reports
- e) PMP and other M&E documents
- f) Project performance data
- g) Project-generated assessments, including a gap analysis of capacity among municipal employees and a gap analysis of management and budget systems within municipalities
- h) GIRA performance data (if available)

VIII. TEAM COMPOSITION

The evaluation team shall consist of four independent international experts (with one serving as the team lead and primary coordinator with USAID) as well as two high level Afghan experts, one of whom can also serve as an interpreter. The international experts should be senior-level evaluation analysts specialized in areas such as public management or politics with expertise and knowledge of Afghanistan's local governance and political situation. All international experts must be fluent in English. Strong writing skills is also desired, though

not all evaluators are required to have this skill. The Afghan experts should have experience with governance programming in Afghanistan and monitoring and evaluation. The Afghan experts should also be proficient in English, Dari, and Pashto. A statement of potential bias or conflict of interest (or lack thereof) is required of each team member.

IX. EVALUATION SCHEDULE

The estimated time period for undertaking this Evaluation is 60 working days, of which at least 51 days should be spent in Afghanistan. The ideal arrival time is January 2013; however, the arrival date will be finalized between USAID and the organization conducting the evaluation.

The evaluation team is required to work six days a week. The team is required to travel to selected provinces in each region where program activities are being implemented. At least 50% of the consultants' time will be spent outside Kabul to conduct interviews with municipal officials, RAMP UP Staff, government officials, and the public. A presentation of the findings needs to be delivered to USAID staff before the consultants depart Afghanistan; and a draft report will be submitted to USAID for comments on the 55th day of the project. USAID comments will be incorporated before the submission of the final draft. It is expected that the evaluation report be completed before mid-February to early-March, when the design process for the new municipal governance project is scheduled to begin.

Example of Level of Effort (LOE) in Days:

Activity	LOE for Expat Team Leader	LOE for Expat Evaluation Specialist	LOE for Expat Evaluation Specialist	LOE for Expat Evaluation Specialist	LOE for two Afghan Evaluation Specialists
Document review, work plan, draft questions, data analysis plan, suggested list of interviewees, finalized questions for the survey	5	5	5	5	
Travel to Afghanistan	4	4	4	4	
Meetings with USAID and Kabul based interviews	5	5	5	5	10

Interviews in provinces; de-brief with USAID	25	25	25	25	50
Data analysis, preliminary report and presentation to USAID,	10	10	10	10	10
Draft final report	8	8	8	8	10
Final report	3	3	3	3	0
Totals	60	60	60	60	80 (40 ea.)

X. USAID MANAGEMENT

The evaluation team will officially report to the Office of Program and Project Development (OPPD). From a technical management perspective, the evaluation team will work closely with David Stonehill, the Alternate Contracting Officer Representative and Leslie Schafer, Governance Team Leader.

XI. REPORTING REQUIREMENTS AND DELIVERABLES

1. **In-briefing:** Within 48 hours of arrival in Kabul, the Evaluation Team, will have an in-brief meeting with USAID/Afghanistan's OPPD M&E unit and the ODG Team for introductions; presentation of the Team's understanding of the assignment, initial assumptions, evaluation questions, public perception survey instrument (if required) discussion of initial work plan; and/or adjust SOW if necessary.
2. **Evaluation Work Plan:** Prior to their arrival in-country, the Evaluation Team shall provide a detailed initial work plan to OPPD's M&E unit and ODG and a revised work plan three days after the in-briefing. USAID will share the initial work plan with GIRoA for comment and revise accordingly. The initial work plan will include (a) the overall evaluation design, including the proposed methodology, data collection and analysis plan, and data collection instruments; (b) a list of the team members indicating their primary contact details while in-country, including the e-mail address and mobile phone number for the team leader; and (c) the team's proposed schedule for the evaluation. The revised work plan shall include the list of potential interviewees and sites to be visited.
3. **Mid-term Briefing and Interim Meetings:** Hold a mid-term briefing with USAID on the status of the assessment including potential challenges and emerging opportunities. The team will also provide the SUPPORT II COR and the RAMP UP/COR with periodic briefings and feedback on the team's findings. Additionally, a weekly 30 minute phone call with OPPD's M&E unit and ODG's governance Team Leader will provide updates on field progress and any problems encountered.

4. **PowerPoint and Final Exit Presentation** to present a summary of findings and recommendations to USAID. This presentation will be scheduled as agreed upon during the in-briefing, and five days prior to the evaluation team's departure from Kabul.
5. **Draft Evaluation Report:** Shall be consistent with the guidance provided in Section XII below. Length of the report: not to exceed 50 pages, exclusive of Annexes in English, using Times New Roman 12 point font, 1.15 line spacing, consistent with USAID branding policy. The report will address each of the issues and questions identified in the SOW and any other factors the team considers to have a bearing on the objectives of the evaluation. Any such factors can be included in the report only after consultation with USAID. The draft evaluation report per the below format will be submitted by the Team Leader to OPPD's M&E unit 24 hours in advance of the exit briefing for review and comments by USAID. USAID's M&E unit and ODG office will have ten calendar days in which to review and comment and OPPD's M&E unit shall submit all comments to the Team Leader.
6. **Final Evaluation Report will** incorporate final comments provided by the M&E unit. USAID comments are due within ten days after the receipt of the initial final draft. The final report should be submitted to the Program Office (OPPD) within three days of receipt of comments by the Team Leader. All project data and records will be submitted in full and shall be in electronic form in easily readable format; organized and fully document for use by those not fully familiar with the project or evaluation; and owned by USAID and made available to the public barring rare exceptions..
7. **One-page briefer** on key qualitative and quantitative findings for each municipality is included in the evaluation's scope—to be given to the mayor of each municipality evaluated, so that he/she has the opportunity to review evaluation findings and share them with the larger community. Each briefer shall be translated in Dari and/or Pashto. Each briefer will be reviewed by ODG prior to distribution.

XII. FINAL REPORT FORMAT

The evaluation report shall include the following:

1. Title Page
2. Table of Contents
3. List of any acronyms, tables, or charts (if needed)
4. Acknowledgements or Preface (optional)
5. Executive Summary (3-5 pages)
6. Introductory Chapter
 - a. A description of the project evaluated, including goals and objectives.

- b. Brief statement on purpose of the evaluation, including a list of the main evaluation questions.
 - c. Brief statement on the methods used in the evaluation such as desk/document review, interviews, site visits, surveys, etc.
- 7. Findings: This section should describe the findings, focusing on each of the evaluation questions.
- 8. Conclusions: This section should include value statements drawn from the data gathered during the evaluation process.
- 9. Recommendations: This section should include actionable statements for ongoing programming. It should also include recommended future objectives and types of activities based on lessons learned.
- 10. Annex
 - a. Evaluation Statement of Statement of Work
 - b. Places visited; list of organizations and people interviewed, including contact details.
 - c. Evaluation design and methodology.
 - d. Copies of all tools such as survey instruments, questionnaires, discussions guides, checklists.
 - e. Bibliography of critical background documents.
 - f. Meeting notes of all key meetings with stakeholders.
 - g. “Statement of Differences”
 - h. Evaluation Team CV’s

REPORTING GUIDELINES

- The evaluation report should represent a thoughtful, well-researched and well-organized effort to objectively evaluate what worked in the project, what did not and why.
- Evaluation reports shall address all evaluation questions included in the statement of work.
- The evaluation report should include the statement of work as an annex. All modifications to the statement of work, whether in technical requirements,

evaluation questions, evaluation team composition, methodology, or timeline need to be agreed upon in writing by the technical officer,

- Evaluation methodology shall be explained in detail and all tools used in conducting the evaluation such as questionnaires, checklists and discussion guides will be included in an Annex in the final report.
- Evaluation findings will assess outcomes and impact on males and females.
- Limitations to the evaluation shall be disclosed in the report, with particular attention to the limitations associated with the evaluation methodology (selection bias, recall bias, unobservable differences between comparator groups, etc.).
- Evaluation findings should be presented as analyzed facts, evidence, and data and not based on anecdotes, hearsay or the compilation of people's opinions. Findings should be specific, concise and supported by strong quantitative or qualitative evidence.
- Sources of information need to be properly identified and listed in an annex.
- Recommendations need to be supported by a specific set of findings.
- Recommendations should be action-oriented, practical, and specific, with defined responsibility for the action.

ANNEX II: WORKPLAN

INTRODUCTION

This is a work plan for a performance evaluation of the support to the Regional Afghan Municipalities Program for Urban Populations (RAMP UP – South, East, North and West). The four projects are being implemented by Development Alternatives, Inc. (North, East, and West) and Chemonics, Inc. (South). It is consistent with the general objectives defined in the Statement of Work, as follows:

USAID's evaluation policy encourages independent external evaluation to both increase accountability and inform those who develop programs and strategies to refine designs and introduce improvements into future efforts. In keeping with that aim, this evaluation is being conducted from February 17 to May 16, 2013 to review and evaluate the performance of four USAID-funded RAMP UP projects implemented in 33 municipalities of Afghanistan.

The evaluation team (four expatriates and two local staff) will focus on assessing the effectiveness of the projects' performances to date in achieving their program goals, objectives and results. The evaluation also needs to examine the impact of the projects on the increased legitimacy of local governance structures in the eyes of Afghan citizens. The perception of legitimacy is tied to receiving better services, understanding the responsibilities of municipal leaders, and playing an active role in municipal decision making. To date, no independent evaluation of this program or individual projects have been undertaken.

This work plan will be updated in response to the uncertain security environment in the 16 municipalities and the frequent movement of implementing partner personnel.

PROGRAM DESCRIPTION

- **Program Title:** REGIONAL AFGHAN MUNICIPALITIES PROGRAM FOR URBAN POPULATIONS (RAMP UP – SOUTH, EAST, NORTH AND WEST)
- **Implementing Partners:** Development Alternatives, Inc. (East, North, West)
Chemonics (South)
- **Agreement Numbers:** 306-C-00-10-00526-00 (East)
306-C-00-11-00510-00 (North)
306-C-00-11-00501-00 (West)
306-C-00-10-00527-00 (South)
- **Agreement Values:** \$95 million (East)
\$40 million (North)
\$35 million (West)
\$100 million (South)

- **Life of Project:** June 10, 2010 – December 9, 2013 (East)
 February 8, 2011 – December 9, 2013 (North)
 November 14, 2010 – December 9, 2013 (West)
 June 10, 2010 – December 9, 2013 (South)

The overall goal of the RAMP UP program is to create effective, responsive, democratic, transparent, and accountable municipal governance in the provinces where the program is working. The program intends to: 1) increase the capacity of the Government of the Islamic Republic of Afghanistan (GIROA) municipal officials, 2) markedly improve the delivery of municipal services to citizens in target municipalities, and 3) increase municipal capacity to enable, support, and sustain economic growth. The RAMP UP program's development hypothesis is that, as a result of achieving these three objectives, Afghan citizens will see local governance structures as legitimate. The perception of legitimacy is tied to receiving better services, understanding the responsibilities of municipal leaders, and playing an active role in municipal decision making. Delivery of essential services to citizens and businesses will foster a stronger revenue base more likely to comply with taxation requirements, generating greater revenues that enable a government to progressively expand and improve services.

Afghanistan's governance, acknowledged to be highly centralized, leaves municipal institutions uncertain as to their roles and functions vis-à-vis other subnational governance institutions. Most municipalities are generally unresponsive to community needs and in the face of the country's rapidly growing urban population these weaknesses are only exacerbated as municipalities struggle to keep up with demands for more and better municipal services. Afghanistan's ability to provide effective and transparent governance, responsive service delivery, increased citizen participation and targeted local economic development has the potential to improve security as well as the overall quality of life for citizens.

The RAMP UP projects in four regions are helping mayors, municipal staff and citizen groups in targeted municipalities by enhancing the capacity of officials, managers and technicians to perform their duties. RAMP UP provides a combination of formal training, on-the-job training, mentorship to promote more visible, responsive, and accountable governance. Project activities also include support to municipalities in improving and expanding desirable services to citizens in the form of municipal infrastructure and service delivery projects. As municipal capacity is strengthened and service delivery improved, RAMP UP is using these improvements to facilitate business growth and job creation.

EVALUATION PURPOSE

This performance evaluation is meant to serve two functions as follows:

1. First, it is to study and document the successes and weaknesses of the RAMP UP projects;

2. The second purpose is to develop recommendations to promote the effectiveness of municipalities in democratic governance at the subnational level.

USAID/Afghanistan's Office of Democracy and Governance will use the evaluation conclusions and recommendations to inform the design of the new municipal governance program, which will take place in the spring of 2013. Shared lessons will also benefit the larger USAID/Afghanistan mission, other donors working at the municipal level, and importantly, the General Directorate for Municipal Affairs (GDMA), mayors, municipal staff, and other GIRoA stakeholders who aim to improve municipal governance.

The evaluation will:

1. Evaluate the design, approach, implementation, and effectiveness of USAID's support for municipal capacity building, service delivery improvement and income/revenue generation through RAMP UP. The discussion will include:
 - The projects' effectiveness in achieving the expected results;
 - Identify their strengths and weaknesses; and
 - An assessment of the sustainability of individual projects after the projects end.
2. Distill lessons learned on program design and implementation to guide the design of future municipal programming.
3. Identify any corrective actions necessary to guide RAMP UP activities over the final year of the performance period.
4. Specifically examine each projects' interventions, such as the scope, level and effectiveness of RAMP UP activities in the following areas:
 - Training (both on-the-job training and classroom training)
 - Overall capacity building of municipalities
 - Improved service delivery
 - Citizen involvement in municipal governance
 - Economic development and revenue generation

EVALUATION RESEARCH QUESTIONS

The Scope of Work asks that the evaluation conduct research in order to answer questions in nine categories. To facilitate the research, for each category a number of specific questions are to be addressed. The categories and questions are as follows:

Capacity Building:

- Are the trainees currently using the new skills/knowledge they gained from the RAMP UP training?
- If so, which skills?
- What are the trainees' perceptions of the value and quality of the training they received?

Systems:

- What changes have taken place regarding the functionality of municipal accounting systems – specifically the processes for budget approval, formulation, and execution?
- What are the municipal officials/staff perceptions of the advantages/disadvantages of the new accounting/budgeting systems and processes?
- How will they continue/sustain these after RAMP UP assistance is over?

Revenue Generation:

- There are strong variances in the municipalities' ability to increase revenue. What were the characteristics of those high revenue and low revenue municipalities?

Sustainability:

- Given current staffing levels and budgets, how do municipalities plan to sustain the gains made in revenue generation and service delivery in the absence of donor assistance?

Corruption:

- Do municipal workers feel that corruption has been reduced within the municipal government?
- Why or why not?

Youth and Gender:

- Has employment of women in municipalities increased?
- Have municipal workers' attitudes changed towards the inclusion of women and youth in municipal activities and decision-making?
- According to beneficiaries of youth and gender sub-grants under RAMP UP, what were the impacts of RAMP UP- South sponsored activities?

Public Private Partnerships:

- Some RAMP UP programs did not meet the targets for the creation of public private partnerships. What factors prevented reaching these targets?

Performance – Based Budgeting:

- Some RAMP UP programs did not meet the targets to implement performance-based budgeting systems. What factors prevented reaching these targets?

Citizen Perceptions: Questions will be answered under a separate Citizen Perceptions Survey

EVALUATION METHODOLOGY

The proposed evaluation strategy and methodology include a mix of qualitative and quantitative data collection and analysis approaches, including document reviews, interviews of key informants, and evaluations of training conducted, comparative analyses of municipal functional assessments, and analyses of citizen perception/focus group surveys conducted by the four projects. The review of pertinent documents of the four RAMP UP projects will extend to program design documents, grant agreements and amendments, progress reports, records for both CORE and FUNCTIONAL training events, reports of activities completed (systems developed, infrastructure projects completed, etc.), program audits and other relevant donor documents.

Geographic Focus: The six-person evaluation team will be divided into two teams each comprised of two expatriates and one local expert. This will ensure that each team includes an experienced Afghan evaluator. The teams aim to visit a total of 16 municipalities, or at least four municipalities from each of the four regions (North, South, East, and West) where the projects are being implemented. The following 14 municipalities are on the current list of sites to be visited with another two still to be identified. This list may change as travel and accommodation arrangements are finalized.

➤ ➤ Project	➤ Municipality
➤ RAMP UP East	➤ Kabul
➤	➤ Ghazni
➤	➤ Methtelam
➤	➤ Sharana
➤ RAMP UP West	➤ Qala-e-Now
➤	➤ Chakhcharan
➤	➤ Herat

➤ RAMP UP South	➤ Kandahar
➤	➤ Lashkar Gah
➤	➤ Qalat
➤ RAMP UP North	➤ Pol-e-Khumri
➤	➤ Mazar-e-Sharif
➤	➤ Kunduz
➤ Total	➤ 13

In addition, the team will meet with USAID staff in the provinces and at the Mission, interview implementing partners (management, technical advisors and Afghan staff) consult other donors' staffs; interview mayors and municipal personnel, and meet informed GDMA officials, and interview randomly-selected citizens. For most of these groups, Interview Discussion Guides will be used to ensure consistent coverage of the topics across various audiences.

Training: Evaluation of RAMP UP training is vital to the program's capacity development objective and is reflected in the frequency with which it is evaluated. These evaluations that are conducted after each formal training event serve two purposes: to measure increased participant knowledge in the subject area, and to obtain participant feedback in order to improve subsequent training. In some instances, participants are provided pre- and post-training questionnaires. These evaluations serve to measure training results at Level 1 (*reaction* and/or *satisfaction*) and Level 2 (*learning*).¹⁰ Depending upon the accessibility of trainees and supervisors to interview, the evaluation will work to measure the application of RAMP UP training to the job (Level 3), or in performance management terms, measure the outcome of the training.

Citizen Perception: Overall citizen perception of the legitimacy of government will be assessed through a survey of 6,066 persons aged 18 and above in 13 municipalities. The goal of the survey is to assess the degree to which overall citizen perception has changed over the course of three projects (RAMP UP, KCI, and PBGF). The sample will be drawn using a multi-stage random sampling process using the municipal level urban stratum as the primary

¹⁰ Donald Kirkpatrick developed the concept of four levels of evaluation for the training profession some 50 years ago. The four levels are 1) Reaction, 2) Learning, 3) Job Applications, and 4) Organizational Impact. (Kirkpatrick, Donald L. *Training Programs: The Four Levels*, 2nd Edition. San Francisco: Berrett-Koehler Publishers, 1998.)

sampling unit. The objectives of the survey are to determine citizen perceptions or satisfaction with:

- The role of municipal and provincial government;
- The ability of government to provide services to the population, and citizens' satisfaction with these services;
- The role of citizens themselves can play with regards to engaging and participating with government processes;
- The linkages between the Provincial Governor's Office and GIRoA; and
- The linkages between municipal government and GIRoA.

Early results of the survey are expected in April and more complete results in May.

EXISTING PERFORMANCE INFORMATION SOURCES

The evaluation team will review the following documents:

- i) Project descriptions and modifications
- j) Implementing partner scopes of work
- k) The project PMP and performance results data
- l) M&E site visit reports
- m) Annual project work plans
- n) Quarterly and Annual Reports to USAID
- o) Project-generated assessments, including a gap analysis of capacity among municipal employees and a gap analysis of management and budget systems within municipalities
- p) GIRoA performance data (if available)
- q) Previous evaluations (if any)

EVALUATION MATRIX

Evaluation Questions	Tools/Processes	Sources
Capacity Building		
Are the trainees currently using the new skills/knowledge they gained from the RAMP UP training?	Document review; conduct training evaluation	Training databases; post training evaluation;
If so, which skills?	Document review; key informant interviews; training evaluation	Training evaluation; training evaluation
What is the trainees' perception of the value and quality of the training they received?	Trainee interviews	Municipal employees trained by projects
Systems		
What changes have taken place regarding the functionality of municipal accounting systems – specifically the processes for budget approval, formulation, and execution?	Key informant interviews; document review	Municipal employees and supervisors; M&E progress reports; partner imbedded advisors
What are the municipal officials/staff perceptions of the advantages/disadvantages of the new accounting/budgeting systems and processes?	Key informant interviews	Municipal employees and supervisors; municipality reports
How will they continue/sustain these after RAMP UP assistance is over?	Document review; key informant interviews	Municipal employees and supervisors; sustainability plans
Revenue Generation		
There are strong variances in the municipalities' ability to increase revenue. What were the characteristics of those high revenue and low revenue municipalities?	Key informant interviews; analysis of municipalities' revenue collection procedures	Municipality revenue reports; municipality technical staff
Sustainability		

Given current staffing levels and budgets, how do municipalities plan to sustain the gains made in revenue generation and service delivery in the absence of donor assistance?	Document review, key informant interviews;	Municipality staffing budget records; revenue collection data; project progress reports; other donors; mayors and municipal officials; sustainability plans
Corruption		
Do municipal workers feel that corruption has reduced within the municipal government?	Document review; key informant interviews; recent surveys	Municipal workers, partner imbedded advisors;
Why or why not?	Same as above	Same as above
Youth and Gender		
Has employment of women in municipalities increased?	Key informant interviews	Municipality records
Have municipal workers' attitudes changed towards the inclusion of women and youth in municipal activities and decision-making?	Key informant interviews, including gender advisors; other donor surveys	Municipal workers and leaders; partner staff; women/youth involved in municipal activities
According to beneficiaries of youth and gender sub-grants under RAMP UP, what were the impacts of RAMP UP- South sponsored activities?	Meet with one or two beneficiaries per municipality; key informant interviews	Grant recipients; partner progress reports; project gender advisors
Public Private Partnerships		
Some RAMP UP programs did not meet the targets for the creation of public private partnerships. What factors prevented reaching these targets?	Document reviews; key informant interviews	Partner progress reports; GDMA officials; partner personnel; GDMA officials, other donors
How much of an impact, if any, did the absence of a GIROA regulatory framework have on not reaching these targets?	Key informant interviews	mayors; directors of finance; other donors; GDMA officials; implementing partner advisors
Citizen Perceptions		
	Citizen Perception Survey	Survey results

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RAMP UP PERFORMANCE EVALUATION USAID/Afghanistan

DRAFT TIMELINE

PERIOD OF PERFORMANCE: February 17, 2013 - May 16, 2013

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
February 17	18	19	20	21	22	23
Travel	Travel	Team breakfast Team arrival Kabul	USAID In-Briefing Team meeting	Document review		Document review
24	25	26	27	28	March 1	2
Document review Develop interview guides	Develop interview guides Work planning	Develop interview guides Work planning	- Work planning - Initial Meeting with GDMA Director General - Meeting with RAMP UP-North CLIN director	Assess/revise interview guides Finalize work plan		- Initial meeting RAMP UP- EastCOP - Field Work (Data Collection & Analysis)
3	4	5	6	7	8	9
Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)		Field Work (Data Collection & Analysis)
10	11	12	13	14	15	16
Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)		Field Work (Data Collection & Analysis)

17	18	19	20	21	22	23
Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)		Mid-term briefing USAID Field work (Data Collection & Analysis)
24	25	26	27	28	29	30
Field work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)		Field work (Data Collection & Analysis)
31						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	APRIL 1	2	3	4	5	6
Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)	Field Work (Data Collection & Analysis)	Data analysis, draft report preparation		Data analysis, draft report preparation
7	8	9	10	11	12	13
Data analysis, draft report preparation	Data analysis, draft report preparation	Data analysis, draft report preparation	Data analysis, draft report preparation	Data analysis, draft report preparation		Data analysis, draft report preparation
14	15	16	17	18	19	20
Data analysis, draft report preparation	Draft report and Power Point preparation	- Power Point and draft report to Checchi - Team leader departs	-Checchi reviews Power Point and draft report -Power Point and draft submitted	Power Point presentation to USAID		Evaluation team departs USAID reviews draft report
21	22	23	24	25	26	27
USAID reviews draft report	USAID reviews draft report	USAID reviews draft report	USAID reviews draft report	USAID reviews draft report		USAID reviews draft report
28	29	30	May 1	2	3	4
USAID reviews draft report	USAID reviews draft report	USAID reviews draft report	Comments on draft report from USAID	Revise and draft final report	Revise and draft final report	
5	6	7	8	9	10	11
	Revise and draft final report	Revise and draft final report	Revise and draft final report	Revise and draft final report	Revise and draft final report	
12	13	14	15	16	17	18
	Revise and draft final report	Checchi submits final report to USAID by COB	FINALIZE REPORT	FINALIZE REPORT		

ANNEX III: BIBLIOGRAPHY

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ANNEX IV: METHODOLOGY DESCRIPTION

This performance evaluation used a straightforward qualitative document review and key informant methodology based on the following design, data collection and analysis processes:

- Client consultation took place at the beginning of the project to clearly determine the purpose and desired outcomes of the evaluation. This was formalized in the Evaluation Workplan (Annex II) which defined the basis of the team's work.
- Key documents were identified and reviewed (see the list in Annex III) – these included project contracts, PMPs and other related documents.
- An interview guide was developed through team member consultation based on the Statement of Work and the perceived feasibility of obtaining useful information from key informants. See Annex VI (below) for a sample data collection guide.
- Potential data collection locations were identified, and selection of actual data collection sites was determined through a combination of defining a cross-section of municipalities (size, perceived levels of functionality, etc.) and accessibility. Security and travel restrictions caused some adjustment in the original data collection plan. The team managed to conduct interviews in (how many??) municipalities, and obtained information from others through contacts while in Kabul.
- Key informant interviews took place in twelve communities, with contacts ranging from GIRoA, RAMP UP and USAID staff, and in the municipalities, from mayors to accounting personnel and others, as well as representatives of other donors and organizations active in the area and in Kabul. Where necessary supplemental interviews took place to clarify issues not fully addressed in the first round of data collection.
- Findings from the various municipalities and organizations were shared and compared in open team discussions and grouped as they related to the main Evaluation Questions in the Statement of Work. Summary statements were made that were representative of the range of findings for each major question – these formed the basis of the “Findings” section of this report. Two other major categories were added to reflect relevant data collected by the team: project design issues, and enabling environment. This information was summarized and reflected in the Conclusions and Recommendations sections of this report.

ANNEX V: DATA COLLECTION SURVEY INSTRUMENTS

Regional Afghan Municipalities Program for Urban Populations

Performance Evaluation

FOCUS GROUP DISCUSSION GUIDE

Youth and Gender Grant Beneficiaries

(March 16, 2013 version)

Interviewer _____ Date _____ Location _____

Name and Position of Interviewee (s): 1) _____

2) _____

3) _____

4) _____

5) _____

6) _____

Purpose of the Evaluation (per USAID):

1. To study and document the successes and weaknesses of the RAMP UP program
 - a. Assess design, approach, implementation and effectiveness of the projects
 - b. Distill lessons learned on design and implementation
 - c. Assess sustainability of individual projects after project ends.
 - d. Identify corrective actions necessary to guide projects in final year.
2. To develop recommendations to promote the effectiveness of municipalities in democratic governance at the subnational level

YOUTH AND GENDER SUB-GRANTS

1. What assistance have you received from the RAMP UP project?

2. When, by whom and how were you selected to participate in this program?

3. When it was announced, during the selection process and during the program, was it described as a program of your municipality or of RAMP UP?

4. How many women and how many men participated in this program? _____

5. As far as you know, did all those who started the program finish it? If not, do you know why?

6. Have you participated in other youth or gender programs sponsored by the municipality?

7. What impact did your participation in the program(s) have on you personally and on your organization or business?

8. What other activities would you like to see the municipality sponsor to benefit youth and women in the municipality?

9. Are women and youth in public meetings active participants/willing to speak?

10. What were/are the barriers to women or youth speaking in public meetings?

11. What *specific* activities (if any) were taken to encourage youth or women to participate in public meetings?

Could you recommend other persons with whom we should discuss the issues discussed today?

Name: _____ **Email:** _____ **Phone:** _____

Organization: _____

ANNEX VI: FINANCIAL INFORMATION

This Annex contains information about revenue generation, the government's financial management system, and the Integrated Financial Management System (IFMS) developed by RAMP UP- South that GDMA has decided to implement in all municipalities.

Revenue Generation

Municipalities have potential to raise revenue from the following sources:

Roster of Taxes and Fees Available to Afghan Municipalities.

Source: Kakar Mohammad Amin, GDMA

COA Tax/Fee	COA Tax/Fee
11180 City Entrance Fee	13276 Road Restoration charges
11183 Residential Area Safayi Fee (planned buildings)	13277 Sale of stores & scrap
11184 Commercial Area Safayi Fee	13278 Set up of number plates for shops and residential houses
11185 Industrial Area Safayi Fee	13279 Municipal Services to Govt Institution
11186 Government Institution Safayi Fee	13280 Home Distribution to Public
11187 Residential Area Safayi Fee (unplanned buildings)	13281 Billboard Revenue
11188 City Service charge from Vehicles	13283 Firewood Sales
11189 Road Maintenance Fee	13284 Sales of Sand and Stone
11190 Late Fees	13304 Sales Of Valuable Documents
11191 Land Purchase for Resale	13381 Banks, financial institutions, money exchangers license fees
11192 Other charges (Used for Public Latrines Revenue, Price List Revenue)	13382 Manufacturing and Industry license fees
11193 City service charges from shops	13383 Machinery production, repair and installation license
11194 City charges on Government Lands (Irregular)	13384 Hotels, Restaurants and quest house license
11195 1% charges on Qabala (deed) transfer	

11196 1% Business charges (collected by Mustofiat)	13385 Professional services license
11197 1% Share of Custom Duty	13386 Work Permit Revenue
12287 Educational institutions license	13387 Educational/training institutions license fees
13201 Rental Government Housing	13388 Mass media and recreational license
13202 Rental Government Shops	13389 Health Services License
13203 Lease of Government Land	13390 Business Registration Fee
13209 Sale of Agricultural Products	13391 Work license for Afghan People who are working with External Institutions/External NGO
13211 Water and Power Services	13392 Work permit for janitorial staff
13226 Tourism Services	13393 Construction permit fees
13235 Rent- Tech. Equipment Vehicles	13394 Engineering, Architect and building control fees
13260 Market Contract Revenue (Used for Slaughter House, Grain Market, Grocery Market, Wood Market Revenues)	13395 Basement construction permit fees
13261 Rent Hotels and other properties	13396 Communication Companies license fees
13262 Communication Tower Revenue	13397 Air travel agency license fees
13263 Nakhas charges, import of meat etc	13398 Land transportation agency license fees
13264 Parking Lot / Bus Station Revenue	13580 Fines on buildings exceeding the construction limits
13265 Entrance ticket of cinema and theatres	13581 Occupational infringement fine
13266 Entrance ticket of parks and zoo	13582 Other Fines and Penalties
13267 Sport Stadium Revenue	13583 Fines on late payment of charges
13268 Recreational Area Fee	13584 Other fines
13269 Cleaning of Septic Tanks	14005 Transfers From Prior Years
13270 Other cleaning service charges	14009 Miscellaneous Revenue
13271 Poultry, Bee, Fish forms Fee	

13272 Funeral Car Rental (Used for Municipal Vehicle Rental, Drinking Water Vehicle Service)	14010 Unclassified Revenues
13273 Requiem Funeral Hall Rent	14047 Reimbursement Returned Amounts
13274 Cultural services/ Musicians' Group	15080 Land Sales - Residential
13275 Map Revenue	15081 Land Sales - Commercial
	15082 Other Land Sales
	15083 Municipal Buildings Sales
	15084 Land Title Transfer Fee

Integrated Financial Management System (IFMS) Information

As noted in the main body of this report, RAMP UP South developed an Integrated Financial Management System (IFMS) that is in use in the six municipalities in their region. GDMA has decided to extend its use to municipalities across the country. While there are reservations about the system's complexity and suitability for an Afghan context, the following information was provided by RAMP UP- South for this report.

IFMS FACT SHEET

OVERVIEW

The objective of the USAID/Afghanistan Regional Afghan Municipalities Program for Urban Populations (RAMP UP)-South is to create effective, responsive, democratic, transparent, accountable, and gender sensitive municipal governance in targeted municipalities throughout the country of Afghanistan. RAMP UP-South works to increase the capacity of Government of Islamic Republic of Afghanistan (GIROA) officials to:

- perform core municipal management responsibilities;
- markedly improve the delivery of municipal services to citizens in targeted municipalities; and
- enhance revenue generation and enable, support, and sustain economic growth

RAMP UP-South's designated operational area consists of the municipal capitals of six provinces in the Regional Command (RC) – South: Kandahar City in Kandahar province, Lashkar Gah in Helmand, Tirin Kot in Uruzgan, Zaranj in Nimroz, Qalat in Zabul, and Nili in Daykundi province.

"GDMA is planning to use the Integrated Financial Management System (IFMS) in all provincial municipalities and have all their financial records maintained in an integrated financial management system. GDMA is very happy to see some progress has been made so far in this regard and we have IFMS running in all six provincial municipalities in the southern region."

*- Abdul Baqi Popal,
Director General GDMA*

As part of RAMP UP-South's objective to modernize municipal accounting procedures, increase municipal revenue, and enhance the transparency of municipal budgeting and financial processes, RAMP UP-South developed the automated Integrated Financial Management System (IFMS) during the first year of project implementation. The IFMS builds on existing municipal structures to streamline the revenue collection, budgeting, accounting, and payroll automation systems and ultimately improve overall municipal financial management. The IFMS computerizes the municipal financial management systems, but it is not dependent on internet access, making it a reliable and sustainable model in an

insecure environment. IFMS has now been implemented in all six RAMP UP-South target municipalities, and the General Directorate of Municipal Affairs (GDMA) has the ability to access the IFMS in each municipality via portal.

The six integrated modules of the IFMS were implemented strategically in phases across all targeted municipalities with coinciding on-the-job trainings provided to municipal officials. These capacity building trainings focus on general accounting and basic computer skills as well as using IFMS. RAMP UP-South has revenue generation advisors and system analysts in each municipality who serve as an on-site resource for the municipal employees that will be operating the IFMS. The ongoing support and on-the-job trainings provided by RAMP UP-South are designed to ensure the sustainability of IFMS by preparing the municipalities to autonomously manage the system.

In addition, a Geographical Information System (GIS) has also been implemented in all municipalities, which complements parcel registration and business licensing by layering different objects such as residential, business, and industrial zones. This has had a major impact in positioning the municipalities towards economic growth, by identifying concentrations of residences and clusters of small businesses by district, as well as industrial zones.

IFMS OBJECTIVE

The IFMS was designed with three primary objectives in mind:

- To architect a scalable engine that integrates the six financial modules, regardless of the category and size of the municipalities;
- To build the IFMS engine on a platform that could be maintained and managed by municipal staff and scalable across all categories of municipalities; and
- To empower fiscal effectiveness, transparency, anti-corruption, and accountability.

IFMS MODULES

The IFMS has six integrated modules for the core financial processes including: Payroll/HR, Budgeting, Accounting, Parcel Registration, Business License, and Revenue Collection. All of the information collected in these respective modules is integrated and establishes an overall municipal financial management system.

Payroll/HR – The payroll/HR module integrates all human resource functions for the municipality into one database and automates the distribution of payroll within the municipalities. A process which once took over 15 days to complete can now be completed in less than two hours.

Revenue Collection – The revenue collection module is able to process and track a total of 55 revenue types in a computerized database including *Safayi* taxes, business licensing fees, tax penalties, loans, grants, income taxes as well as a variety of other revenue streams.

Budgeting – The budgeting module establishes a digitized budgeting template to assist the municipalities in preparing their budgets and making accurate projections on future municipal expenditures. As a result, the municipalities are able to formulate more timely and realistic budgets and enhance revenue collection by more accurately identifying revenue streams and expenditures.

Accounting – As expenses are entered into IFMS, the primary purpose of the accounting module is to provide transparency and efficiency by enabling the municipality and GDMA to more effectively monitor the use of resources by generating easily accessible trial balances, balance sheets, income statements, and ledger reports.

Parcel Registration – The parcel registration module—a core component of the revenue module—is used to generate and collect bills for *Safayi* tax. The module tracks total parcels registered, the value of parcels registered, the revenue generated from parcels registered, the number of parcels by district and block, and the total *Safayi* notebook distribution.

Business License – The business license module, another core component of the revenue module, is used to generate and collect bills for business licenses. The business license module enables the municipality to track total businesses, the types of businesses, and the status of business license payments throughout the municipality.

Fiscal Effectiveness, Anti-corruption and Accountability

The IFMS is an effective tool for fiscal effectiveness, transparency, anti-corruption and accountability. Tracking the full life cycle of the *Safayi* tax and business licensing (from billing to accounts receivable), empowers municipalities to tap into new revenue streams by registering new businesses, tracking unpaid bills, quantifying billing, as well as drastically improving the revenue collection cycle within the fiscal period. This all leads to effective financial management and improved fiscal responsibility. In addition, the improved transparency in the municipal financial system, by receiving official government documents (*Safayi* notebook and business licenses) and paying associated taxes through the bank, builds trust between citizens and their local government.

The IFMS provides an electronic paper trail of transactions to show how money and other resources have been handled, thereby deterring corruption. Double entry bookkeeping, which is very difficult and time consuming to maintain on a manual basis, is made easier through IFMS. Additionally, with data entered into the system, users can quickly produce reports that show how resources have been spent over any specified period. The reports can be rearranged quickly so that management can look at operations from many different viewpoints with minimum effort.

IFMS also empowers GDMA to access municipalities systems via internet at any given time. Daily transactions (debit/credits) that are entered by municipalities into IFMS are available via different reports such as trial balance, balance sheet and income statements. The ability to review reports in real-time, such as expenditure and revenue reports, establishes transparent governance and accountability.

LOOKING FORWARD, ROLES AND RESPONSIBILITIES

In February 2013, the IDLG/GDMA issued an official endorsement letter (see Appendix A) for the implementation of the IFMS in all provincial municipalities across Afghanistan – a major achievement highlighting RAMP UP-South’s success in developing the automated and integrated system, now a national model for financial management systems. RAMP UP-South will continue to work with GDMA to standardize and improve accountability and transparency in municipal accounting procedures and train all other RAMP UPs on the tool. GDMA and RAMP UP-South are working to centralize the IFMS engine in Kabul, to ensure its sustainability in the future.

Figure 1: IFMS Profile

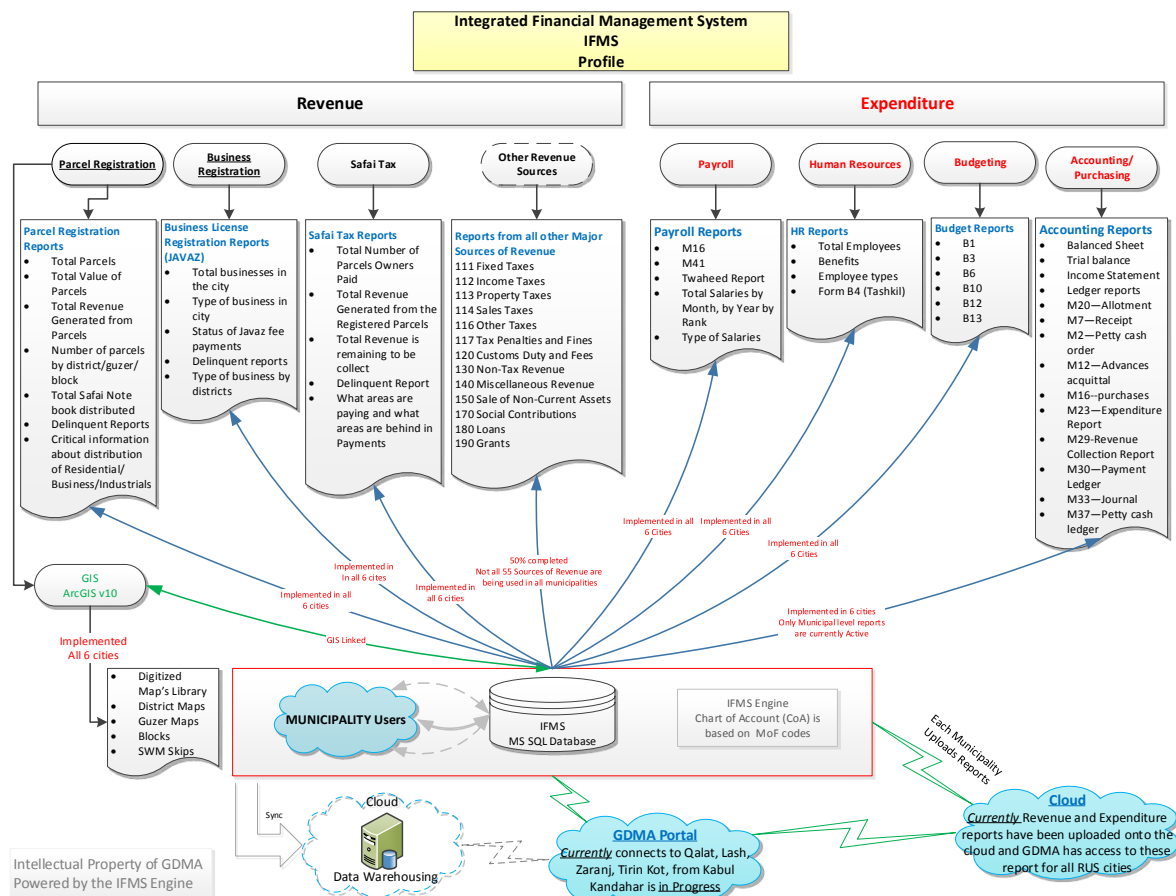
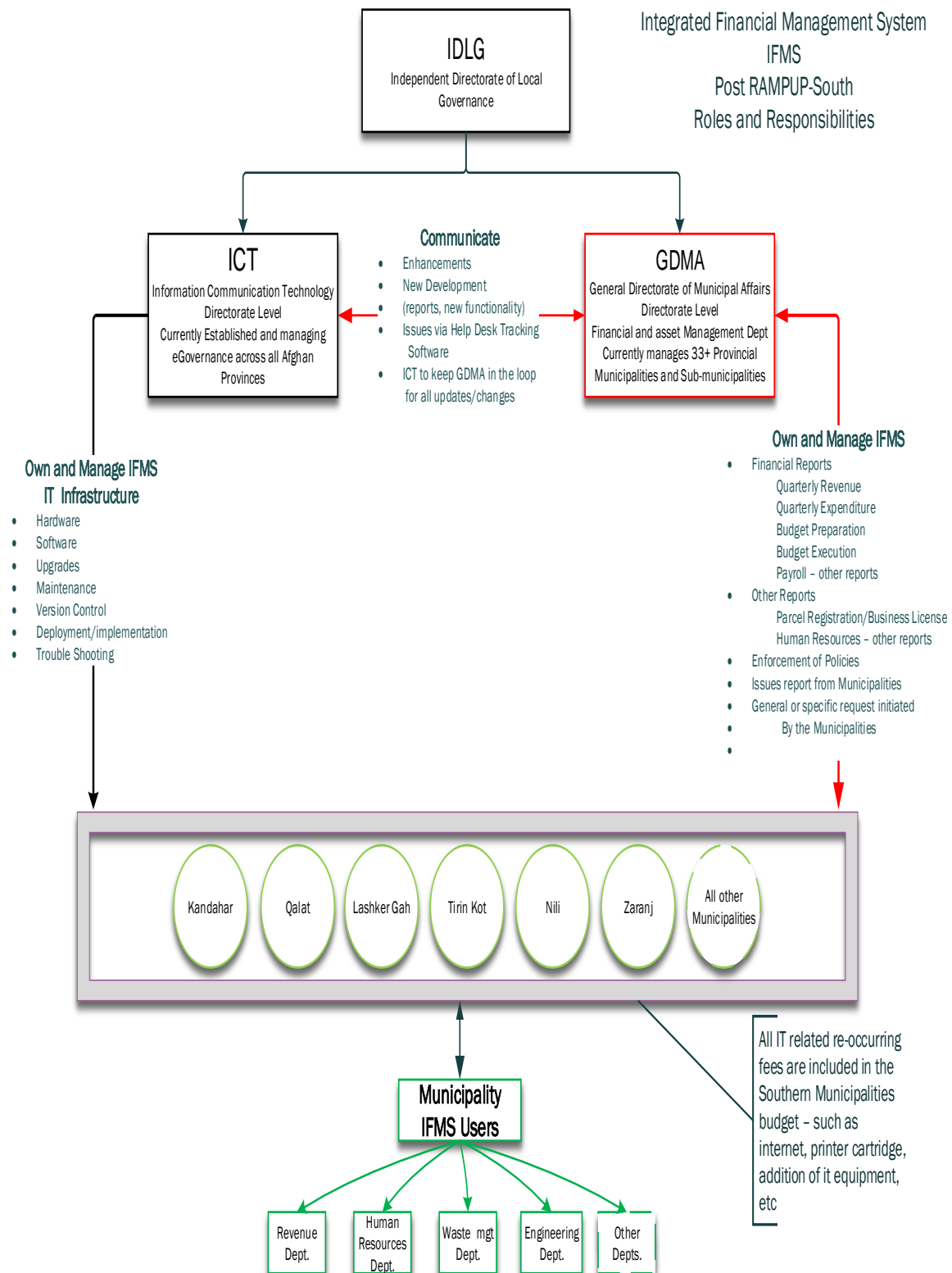


Figure 2: IFMS Roles and Responsibilities



Appendix A

Figure 3: GMDA Official Letter #335 to Roll out IFMS to all Provincial Municipalities of Afghanistan



To: Mr. Danny Hill
Chief of Party, RAMP UP South

Subject: IFMS support engine at GDMA & IDLG

GDMA is planning to use the Integrated Financial Management System IFMS in all provincial municipalities and have all their financial records maintained in an integrated financial system.

GDMA is very happy to see some progress has been made so far in this regard and we have IFMS running in all six provincial municipalities in the southern region. However, in order to build the capacity of GDMA and IDLG to further maintain, modify, troubleshoot and conduct necessary capacity building short-term course for municipal staff members in the longer run, GDMA needs to have its staff members be familiar and have staff members hands on using IFMS and IDLG does necessary modifications & troubleshooting at municipal level whenever required.

Therefore, I would appreciate if you could include support to GDMA and IDLG for this system in your MIP for the third year so that we further work together and have this capacity built at GDMA & IDLG.

Sincerely yours,
Abdul Baqi Popal
Director General GDMA

Appendix B

Figure 4: GDMA Letter Informing all to use IFMS going forward:

From:	Amin	Kakar	[mailto:kakar.amin@yahoo.com]
Sent:	Monday,	March	25, 2013 1:06 PM
To:		Wais	Said
Cc:		Nasir	Tayeb
Subject:	Fw: Land Registration Database, Municipal Boundaries Shape files		

Dear Mr. Wais,

Please see below UN-Habitat's request for IFMS training/orientation to be conducted by RAMP UP South. I would appreciate if you please assign your concerned staff members to address their request as with the new JICA funding to UN-Habitat for property registration they need to use **IFMS no any other software is permitted by GDMA/IDLG.**

Thanks,
Mohammad Amin Kakar
Head of Fiscal & Assets Management GDMA
Focal Point for RAMP UP Project & Team Leader CLIN 3
Tel: 0700078672
Email: kakar.amin@yahoo.com

*As a follow-up to the directive from GDMA, a comprehensive IFMS training **workshop** has been scheduled for the week of April 29th. Representatives from all RAMP UPs, UN-Habitat, ASGP, GDMA and IDLG members will be participate in this workshop. Moving forward, these entities will utilize the IFMS engine. Currently, RAMP UP-West and RAMP UP-North have implemented IFMS modules. RAMP UP-West has implemented IFMS modules in two cities and RAMP UP-North is planning to implement IFMS in several of their target cities. In Lashker Gah, UN-Habitat parcel registration forms are being entered into the IFMS parcel registration module.

Appendix C

Figure 5: GDMA's active portal to access RAMP UP- South cities

ولایت	ښاروالی	حوزه
کندهار	Kandahar	✓
لشکرگاه	Lashker Gah	پلیټه
قلاټ	Qalat	
زارنج	Zaranj	
تړینکوت	Tirin Kot	
نیلې	Nili	
مرکز	Report Repository	

*Via the above Portal, GDMA is able to connect to all RAMP UPs cities by clicking on a city. The “Report Repository” options empower the GDMA to review all finalized reports for all RAMP UP- South municipalities in one place. Soon, RAMP UP-West and RAMP UP-North will be added to this portal. GDMA has the option to obtain up-to-date reports by logging into each city’s IFMS. Recently, all six RAMP UP- South municipalities submitted their quarterly expenditure and revenue on time – a first for all six cities.

Summary of MOF Municipal Budget Process

Unofficial translation of Document Received April 18, 2013

Prepared by Sayeed Yasin “Hussaini” – Budget Officer, Ministry of Finance

Good Governance, Rule of Law & Human Rights Sector

A short summary about the municipality budget

Municipalities budget prepares by either capital or districts municipalities or the forms are:

- B-13, a form which is about anticipated annual income, including fixed and non-fixed income and municipality banking balance
- B-1, a form which is about last year total income and anticipated income for the new year.
- B-4, a total of the last year and new year staffing structure (Tashkil)

- B-4, forms that the structure (Tashkil) of official and mercenaries (contract based staff) employees are listed separately
- B-6 forms that total charts and codes (250-220-210) are listed.
- B-12, a form that the total codes (250-220-210) are listed

It is necessary to mention that since, municipalities are self-sufficient enterprises, all expenses are paid from their own benefits/income, and after the approval/signature of the account manager, mayor, district chief and head of revenue department (Mustofy) attached with original copy of the Tashkil, will be sent to Independent Directorate of Local Governance IDLG.

IDLG will send the Tashkil to office of administrative affairs for approval and after the decree/order of the president the original copy will be sent to IDLG Municipalities Department and a copy will be sent to budget department of Ministry of Finance MoF.

Once IDLG municipality department received the original copy of the Taskhil, IDLG will send the municipality budgetary documents to General Directorate of Budget for further process.

General Directorate of Budget will review/check the mentioned budget in according to the municipalities rule and regulations.

Based on the annual anticipated income, 45% of which for the normal budget and 55% for the developmental budget included the codes (250-220-210) will be approved and via official letter will be resent to IDLG municipalities department.

As received from GDMA April 1, 2013.



ANNEX VII: CAPACITY DEVELOPMENT FRAMEWORK

The following Capacity Development Analysis Framework summarizes the many levels and dimensions of Capacity Development, most of which did not appear to be overtly included in the approach being used to increase performance of the municipalities served by the four RAMP UP projects (copyrighted material used with permission).

Capacity Development Analysis Framework

©Andy Tamas¹¹ 5 May 2011

Introduction

This is a brief summary of the many components of Capacity Development.¹² The purpose of a development effort is to influence a system to alter its trajectory and achieve a desired effect, usually in terms of increasing performance in some relevant manner.

The purpose of this paper is to offer a high-level framework that actors can use to analyze a complex environment and select appropriate points and types of interventions to achieve their objectives, and/or to assess the results of an initiative. It can be used to provide clarity in designing or assessing international development projects as well as organizational change or community development activities in any environment.

Capacity Development is a multi-dimensional activity that can address a variety of components in a development initiative taking place in an environment (government, region, company, NGO, community, etc.). The following chart illustrates these various levels and dimensions, any of which can be the focus of an analysis process or intervention to increase system performance. These components are described more fully later in this paper.

Level of Activity	Dimension of Analysis or Intervention					
	Values	Structure	Skills	Resources	Operations	Performance
Context						
Organization(s)						
Sub-Unit						
Group/Team						
Individual						

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¹² Capacity Development has many definitions. An example: *The process of developing competencies and capabilities in individuals, groups, organizations, sectors or countries which will lead to sustained and self-generating performance improvement* (AusAID 2004).

Strengths in any of these dimensions or levels indicate potential areas to reinforce to improve system effectiveness and performance. Weaknesses in any of these components will negatively impact on the ability of an organization or country to address its development objectives. Both strengths and weaknesses are potential points for Capacity Development inputs.

In addition, Capacity Development inputs can be made in each stage of a development initiative. Most international development projects have the following steps:

- Initial scoping and conceptualization
- Project planning, design and approval
- Drafting requests for proposals and awarding contracts
- Project operations and management
- Project monitoring and evaluation
- Applying lessons learned and feedback for subsequent initiatives, etc.

The earlier in the project cycle that Capacity Development concepts and inputs are applied, the more likely the initiative will be effective in increasing performance and fostering sustainability.

Levels and Dimensions of Capacity Development Activity

Capacity Development analysis and inputs can focus on any *level* of a system¹³ – from the distal environment of which the system is unaware to the visible context (such as global markets, monetary policies or political structures) through to complex multi-agency administrative systems or single organizations, their sub-units, teams and individual staff, and to the unseen internal environments deep within the consciousness of the individuals populating a system.

The various *dimensions* of Capacity Development in the table above can be described as follows:

- **Values:** The beliefs, cultures, attitudes, incentives and motivations of the people in the system.
- **Structure:** The system's structure – its legislation, governance and policy frameworks and power relationships. This is sometimes called the *institutional* framework: roles

¹³ For a summary of system levels see "System Theory and Community Development" in the *Samples* section of www.tamas.com. (<http://www.tamas.com/samples/samples.html>)

and relationships and the formal and informal rules determining the interaction of a system's members.

- ***Skills:*** The capabilities and competencies of the system's members defined on at least three levels: knowledge, attitudes and behaviors.
- ***Resources:*** The tools, budgets and other assets available to the system.
- ***Operations:*** How a system actually works – its formal and informal leadership, decision-making and management mechanisms, strategies, business processes, accountabilities and other aspects of its functions.
- ***Performance:*** What the system actually *accomplishes* – the results of its activities.

The tools used by Capacity Development practitioners – legislation and policy development, resourcing and infrastructure enhancement, organizational analysis and restructuring, change management processes, mentoring and training, etc. – can be applied as appropriate in any of the levels or dimensions in the framework, and at the various stages in a project cycle.

The nature of a Capacity Development initiative will be determined by factors such as the types of influence actors can bring to bear on a system, their points of entry and impact, and their relationships with members of the system, and the desired duration of the intended effect. Sustainable change in a system's trajectory requires ownership and perpetuation of the intervention by the system's members.

This analysis framework is intended to help actors better understand the complex environments in which they are working and to focus their attention on areas which are most likely to bring about desired changes in these systems.

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